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NO NEW TAXES: SURPLUS BUDGET

A DEFINITE TURN FOR THE BETTER

Dr. Matthai's Buoyant Optimism For Future

ACCENT ON PRODUCTION

NEW DELHI, February 28 (PTI).

"THERE is a definite turn for the better," declared the Finance Minister Dr. John Matthai, presenting the Republic's first budget today.

The main features of the Finance Minister's proposals are: No proposals for fresh taxation, which announcement was received with great acclamation; abolition of Business Profits Tax; reduction in company tax; relief for middle class tax payer; distinction in earned and unearned income for super tax being abolished; concession for Hindu undivided families; reduction in telegram charges and a cut in trunk call charges.

The final budgeted position for the year 1950-51 is revenue Rs. 339.19 crores, expenditure Rs. 337.88 crores, leaving a surplus of Rs. 1.31 crores.

The Finance Minister today set a new precedent. There was no prepared speech and he delivered it extempore. Part "A" of the speech containing a review of the year and part "B" containing taxation proposals were submitted to the House in the form of White Papers.

The galleries, as usual on a budget day, were crowded.

The general buoyancy was checked by a timely warning to the House when the Finance Minister said that fifty per cent of the expenditure went to defence. The estimates he had made were based on the assumption that no abnormal developments would occur during the year. The Prime Minister had declared more than once our policy was to contribute in every way to the maintenance of peace and the employment of peaceful methods in the settlement of international disputes.

"Anybody who knows the Prime Minister knows the declaration has been made from the highest of motives and completest sincerity of purpose. (Cheers). If, however, contrary to our expectations events so develop that peace and security of this country are in danger, Government will have no hesitation in raising whatever finances they may require to meet the situation. (Prolonged cheers). Government will not hesitate to call upon the people to make whatever sacrifices may be required for safeguarding the vital interests of the country."

The Finance Minister was warmly cheered when he made the statement.

DR. JOHN MATTHAI

LABOUR AND CAPITAL

Earlier, in his speech the Finance Minister gave an analysis of the various economic factors and emphasised the importance of production and said: "I regard the situation with some confidence".

He paid a tribute to the Labour organisations in the country and was gratified at the steady improvement in Labour-Capital relations. The crux of the whole situation was production. There have been fewer Labour disputes and a reduction in the man days lost.

The Finance Minister next turned to capital and asserted that there was no foundation in the allegation that 'capital is on strike." Surveying the position, he thought that such factors as the increased cost of production, a reduction in the margin of profits, unsettled economic and psychological conditions which, if prevailed in any other country, would have produced the same result as here. Labour-Capital relations being "fundamentally sound", the Finance Minister was of the opinion that if Government, Parliament and the Press "will avoid mishandling and misjudging one section or the other", he had not had the slightest doubt that both the sectors of production would continue to play the game.

The Finance Minister, during his ninety minutes speech, repeatedly stressed the need for more production.

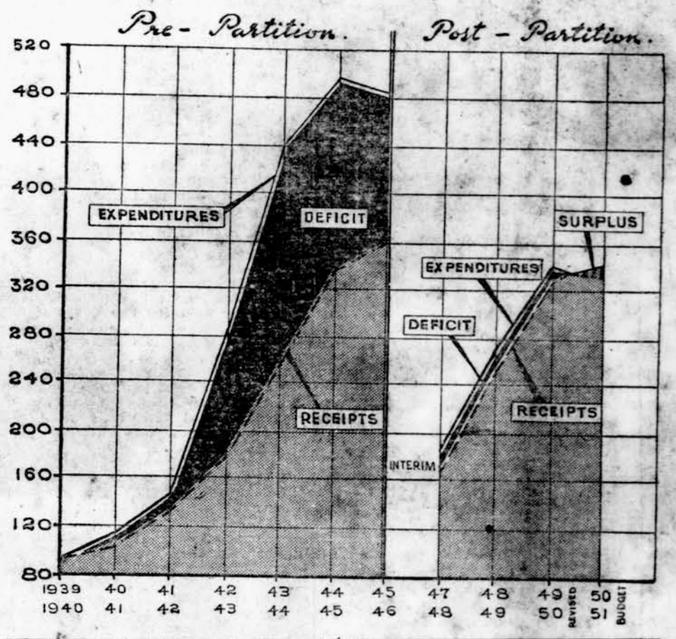
He said: 'Production, more production, whichever way we look at the economic difficulties of this country, you come over and over again against the problem of increased production."

The financial position for the coming year is as follows:

In Crores of Rupees)

	Revised. 1949|50	Budget 1950|51
Revenue	332.36	339.19
Expenditure	336.10	337.88
Dificit	3.74	....
Surplus	....	1.31

BUDGET POSITION



Attlee's New Cabinet

LONDON, Feb 28 (PTI-Reuter).—Three key figures in Labour Government—Sir Stafford Cripps Mr. Ernest Bevin, and Mr. Herbert Morrison retained their posts in Prime Minister Clement Attlee's new Government announced tonight.

Mr. Bevin remains Foreign Secretary, Sir Stafford retains the Chancellorship of the Exchequer while Mr. Herbert Morrison will stay as Lord President of the Council.

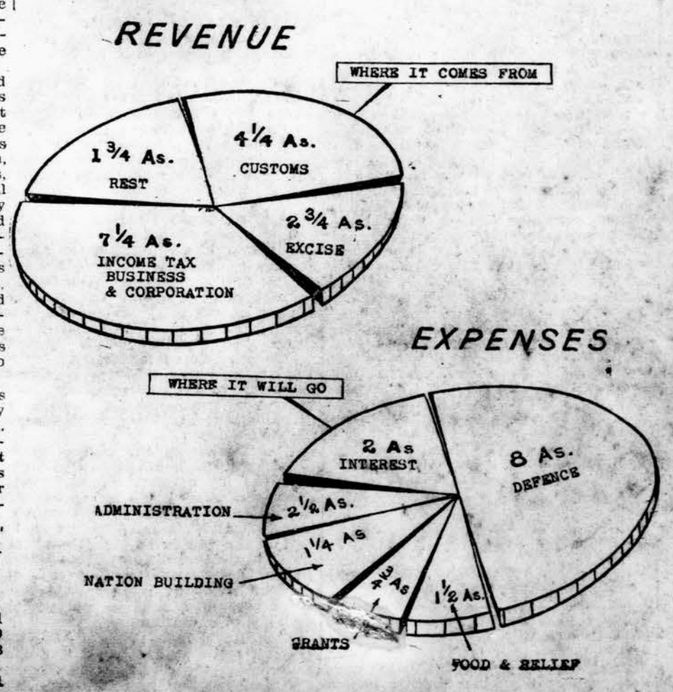
Mr. Emmanuel Shinwell was promoted from the junior rank of War Minister to become Minister of oDefence, Mr. Aneurin Bevan remains as Health Minister, while Mr. James Griffiths replaces as Colonial Secretary Mr. Arthur Creech-Jones, who was defeated in the general election.

Mr. Patrick Gordon-Walker becomes Commonwealth Relations Minister

BUDGET AT A GLANCE

Estimated Revenue receipts in 1949-50	Rs. 332.36 crores
Estimated expediture in 1949-50	Rs. 336. 1 crores
Estimated deficit in 1949-50	Rs. 3.74 crores
Estimated revenue receipts in 1950-51 (at existing level of taxation)	Rs. 347. 5 crores
Estimated expenditure in 1950-51	Rs. 337.88 crores
Estimated surplus in 1950-51	Rs. 9.62 crores
Of the total estimated expenditure of Rs. 337.88 crores in 1950-51, defence will get.	Rs. 168.01 crores
And civil well get	Rs. 169.87 crores

THE BUDGET RUPEE



PROPOSALS

The Dividend Limitation Act will not be renewed after March 31, when it expires.

No fresh taxation.

Rate of local delivery of letters reduced from two annas to one anna.

Rate of local delivery postcard will be reduced from nine pies to six pies.

Business Profit Tax will be abolished.

The minimum basic charge for ordinary telegrams will be reduced from annas nine to annas eight and for express telegrams from rupee one and annas two to rupee one.

Maximum rate of income tax will be reduced from five annas in the rupee to four annas in the rupee.

The maximum rate of supertax will be reduced from ten annas in the case of unearned income and nine annas in the case of earned income to a uniform rate of eight and a half annas in the rupee and will be applicable to an income of rupee one and half lakhs.

Corporation tax is to be increased from two annas to two and a half annas

For Hindu undivided families, it was proposed to raise the exemption limit from Rs. 5,000 to Rs. 6,000, at a cost of Rs. 12 lakhs.

Finance Bill Introduced

NEW DELHI, Feb. 28 (UPI): Immediately after his budget speech in Parliament today, the Finance Minister, Dr. John Matthai, introduced the Finance Bill, 1950, to give effect to the financial proposals of the Government of India for the next financial year, and to provide for certain connected matters.

The Bill makes three minor amendments in the Indian Income Tax Act, 1922, and prescribes, as usual, the rates of income-tax and super-tax for the next year.

NEW PLANNING COMMISSION

Members' Names

NEW DELHI, Feb. 28 (P.T.I.).

DR. JOHN MATTHAI announced the composition of the Planning Commission today. The Chairman will be Pandit Jawaharlal Nehru and the Deputy Chairman, Mr. Gulzarilal Nanda, Labour Minister of Bombay.

The members will be Mr. Chintaman Deshmukh, Mr. G. L. Mehta, (President of the Indian Tariff Board), and Mr. R. K. Patil, (Food Commissioner of the Government of India). The name of a fourth member will be announced later.

Mr. Nanda

Mr. N. R. Pillai Cabinet Secretary will be the Secretary of the Commission

Sardar Trilok Singh of the Finance Ministry will be Deputy Secretary

BUSINESS PROFITS TAX TO GO

Cheaper Local Letters And Telegrams

CUTS IN OTHER TAXES

NEW DELHI, February 28, (PTI).

PRESENTING REPUBLICAN INDIA'S FIRST BUDGET TODAY, FINANCE MINISTER DR. JOHN MATTHAI ANNOUNCED IN PARLIAMENT THAT HE HAD NO PROPOSAL TO MAKE FOR INCREASE IN DIRECT TAXATION. THE DIVIDEND LIMITATION ACT WOULD NOT BE RENEWED AFTER MARCH 31 WHEN IT EXPIRES.

Another proposal was to reduce by one anna, from five annas to four annas, the income-tax paid by companies with a concurrent increase in company super-tax by half anna. This reduction would help companies to plough back more of their profits into business and assist in the development of industries.

After this reduction the general rate applicable to a company, taking income-tax and supertax together, would, at six and half annas, be still half anna more than during 1946-47.

The reduction in income-tax would cost Rs. 10.56 crores, but this would be set off by Rs. 5.28 crores from the additional half an anna on super-tax.

The third proposal was to reduce the tax on the slab of income between Rs. 10,000 and Rs. 15,000 by half anna, from three and a half annas to three annas, carrying a stage further the relief to middle classes, most hit by the rise in prices in recent years, begun last year. The loss was estimated at Rs. 1.01 crores.

To stimulate further savings and investment it was also proposed to reduce the tax on slabs of income in excess of Rs. 15,000 from five annas to four annas, at a cost of Rs. 6.5 crores.

SUPER-TAX

Certain changes were also proposed in the field of personal super-tax. The distinction between earned and unearned income, introduced in 1947, would be abolished. In other advanced countries this distinction was not allowed in the case of sur-tax and since earned income relief is on a par with relief for family provision, like payment for life insurance or to a provident fund, which was allowed only for incometax, it seemed somewhat illogical to allow it for super-tax.

The maximum rate for super-tax would be reduced from nine annas for earned income and ten annas for unearned income to a flat eight and half annas operating from the stage of income above Rs. 1,50,000.

The rates in the various slabs were also proposed to be rearranged at one anna above the present rate for earned income. These changes were expected to increase the revenue by Rs. 2.29 crores.

For Hindu undivided families it was proposed to raise the exemption limit from Rs. five thousand to Rs. six thousand at a cost of Rs twelve lakhs.

The net result of the changes in income-tax proposed above were estimated at Rs. 14.99 crores, of which Rs. 7.12 crores would fall on the States and Rs. 7.87 crores on the Centre.

The existing concession in respect of exemption of income from houses constructed up to March 1950 and increased initial depreciation allowance for business premises constructed by that date would be extended for a further period of two years.

LETTERS

Rates for local delivery of letters and postcards were to be reduced to one anna and six pies respectively. This distinction between local and extralocal deliveries was a feature of the posal system in many advanced countries. The charges for telegrams would also be reduced by one anna

(Continued on Page 10 Col. 7)

MIXED REACTION OF M. P.s

"Encouraging To Tax Payer"

NEW DELHI, Feb. 28 (PTI).

LOBBY reaction to the budget was as usual mixed and majority of members welcomed it. The feeling that the budget should give incentive to production and capital investment was prominent.

Following is the comment of a cross-section of members:

MR. ANANTHASAYANAM AYYANGAR: Able and encouraging budget concessions to industry are liberal. Hope events would justify estimates.

MR. MAHAVIR TYAGI: Good budget. Return to pre-Liaquat Ali days Honest efforts to reduce burden of tax payer.

DR. PUNJAB RAO DESHMUKH. Budget for the capitalists.

PANDIT KUNZRU: I must study it very carefully.

MR. THIRUMAL RAO: Both railway and general budgets should have psychological effect on the country and investors should feel encouraged.

The UPI adds. The first budget of Republican India, had on the whole a good reception in the capital tonight.

While one section described it as a "bold and brave" budget, another section said it was "a status quo" budget without any positive and negative aspect in it." Opinion was, however more or less unanimous in saying that it was a concession to industrialists.

The industrialists opinion as represented by Mr. G. D. Birla hailed it as the best under the circumstances, while the President of the Federation of Indian Chambers of Commerce and Industry, Mr. K. D Jalan said, "It was what a moderate budget should be."

Representing yet another section of view point, Acharya Kripalani said amidst laughter "The figures are always deceptive One may make anything of them as one likes."

Most observers, however reserved their comments till a fuller and more careful scrutiny of the proposals.

General Relief

REACTIONS IN CITY

BOMBAY, Tuesday.

THE immediate reaction to the budget proposals presented in the Indian Parliament today by Mr John Matthai is one of general satisfaction in that it has afforded a welcome relief to the prevailing pessimism in the economic life of the country.

There seems to be a feeling, however, that the proposals have been framed, in the main, with a view to affording greater relief to the higher income groups and to transferring the responsibility for capital formation to the rich rather than to the middle and lower middle class people.

Mr. K. R. P. Shroff, President of the Stock Exchange, said: "The budget for 1950-51 is like the curate's egg, good in parts. The abolition of B.P.T. and Dividend limitation are welcome but there is sting in the tail in that the Corporation Tax has been put up by half an anna. This increase is a retrograde step as it is a tax on corporate enterprise. The argument that reduction in company income-tax mitigates the position is far from convincing. The income-tax whether at five annas or at four annas is merely a deduction at source on behalf of the shareholders and as such subject to refund. Any reduction in company income-tax therefore cannot help companies to conserve their resources or plough back profits."

Prof. C. N. Vakil, Director of the University School of Economics, Bombay, told the U.P.I. this evening that the budget showed that, in spite of several adverse factors, including the trade deadlock with Pakistan, the economy of the country had shown capacity for resilience. "The lapsing of the dividend Limitation Act," he said, "should revive confidence and activity in the investment market as well as in the loan operations of Government."

WILD RUMOURS

The air of tense expectancy with which market operators had besieged the premises of Bombay's Stock Exchange, from early afternoon, culminated in scenes of indescribable noise and confusion, as the electric bell of the share market rang out at 7 p.m., for the opening of the special night session of the Exchange.

All manner of wild rumours were in circulation, as the hour for receiving the broadcast proposals of the Finance Minister of the Government of India, drew nearer and nearer. The share market which had closed at Rs. 1711½ at 2 p.m. with regard to Tata Deferreds, fluctuated between 1730-40 and fell down as low as 1670-80, to again rise to 1710, when the market opened in the evening. It closed at 1710.

Unofficially Tata Deferreds were quoted at 1705 at about six in the evening, having reached a peak of 1732 by about four in the afternoon.

Inquiries at the Stock Exchange at closing time, 8 p.m. showed that most

(Continued on Page 12 Col. 6)

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Wanted a Gujarati knowng B.Sc. Teacher, trained preferred, capable of teaching Physiology and Hygiene. See Principal, Esplanade High School, 160, Hornby Road, Fort. 1644

Wanted—A graduate, specialised in textiles chemistry, having a few years experience in bleaching and dyeing sections of Textile Mills for sale and demonstration of liquid chlorine and other chemicals in Bombay. Applicant must have his own residential arrangements in Bombay or suburb. Pay Rs. 275-25-600 inclusive of all allowances. Apply, giving age, education and experience, in own handwriting to D. C. M. Chemical Works, P. O. Box No. 211, Bombay. (7230)

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Graduate (32) **Steno.** Strong in English, capable of handling correspondence independently. Thoroughly well-up in accounts. Over four years experience in film distribution (Pakistan Circuit) and three years experience in Film Exhibition as Manager. Proceeding to Pakistan desires suitable appointment in Karachi or Lahore. Contact Box No. 1650 "Bombay Chronicle".

Young Graduate of 23 years, having more than 2 year's Clerical experience seeks immediate suitable job. Good references. Contact Box No. 1645 "Bombay Chronicle".

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PUBLIC NOTICES

THE NEW GREAT INSURANCE COMPANY OF INDIA LIMITED.
(Incorporated in Baroda—Liability of Members is limited)

NOTICE

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the New Great Insurance Company of India, Ltd. will be held at the Registered Office of the Company at the Bank of Baroda Building, Mandvi Road, Baroda, at 1.00 p.m. (S.T.) on SATURDAY, the 25th March, 1950 to transact the following business:

1. To receive and adopt the Actuary's Report on the First Valuation of the Company as at 31st December 1948.
2. To transact such other business in connection with the Valuation, as may be brought before the Meeting with the permission of the Chairman.

By Order of the Board of Directors
M. G. MODY
General Manager

Baroda, 24th February 1950.

(7249)

PUBLIC NOTICES

BOMBAY PUBLIC SERVICE COMMISSION

APPLICATIONS are invited BEFORE 14-4-1950 for the post of CHIEF DRAFTSMAN IN THE BOMBAY ELECTRIC GRID. PAY: Rs. 340-650 PLUS cost of living allowance as admissible. Higher starting pay may be given. AGE: Not more than 45 years on 1-7-1950 relaxable in suitable cases. QUALIFICATIONS:— (a) degree or diploma in Civil Engineering, or equivalent academic qualification; (b) association with engineering works for not less than 15 years; (c) competence to check design data of engineering works like R.C.C. Constructions, Steel Structures, trusses, anchor blocks, foundations, etc., (d) intimate knowledge of preparing working drawings, taking out quantities and preparation of tender documents and (e) ability to work as draughtsman and capacity and experience in guiding and controlling a large drawing office organisation. Application form supplied on receipt of a large addressed envelope with 4 annas postage stamps and a CROSSED Indian Postal Order for Re. 1/- payable to the Secretary, Bombay Public Service Commission, who will also supply full details on request. Persons registered with Employment Exchanges can obtain the form on application IN PERSON at the Exchange Office. (7247)

BOMBAY MUNICIPALITY

NOTICE

APPLICATIONS are invited on prescribed forms obtainable from the Office of the undersigned at Re. 1/- (in cash or currency note only) each from Citizens of Indian Union for the post of Professor of Pharmacology at the Topiwala National Medical College, Bombay. If the form is required by post, postal stamps worth As. four should be sent.

QUALIFICATIONS: Applicants must be registered medical practitioners and hold a post-graduate medical qualification with teaching experience in the particular subject of at least 5 years duration or he must have to his credit some original research work published in a recognised journal.

PAY:— Rs. 700-40-1100 plus usual Dearness Allowance.

SERVICE CONDITIONS: The selected candidate will be on probation for one year. He shall be amenable to Municipal Service Regulation and Provident Fund benefits.

Candidates are required to appear for an interview at their own expense.

Application should reach this Office on or before 27-3-1950.

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S. M. Y. SHASTRY
Secretary to
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THE KOHINOOR MILLS COMPANY LIMITED.

NOTICE

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the above Company will be CLOSED from TUESDAY, the 28th March, 1950 to MONDAY, the 17th April, 1950, both days inclusive.

By Order of the Board,
For the Kohinoor Mills Company Limited.
KILLICK INDUSTRIES LIMITED.
H. F. MILNE,
Managing Director,
Agents.

Home Street, Fort,
Bombay, 27th February, 1950. (7248)

LEGAL NOTICES

NOTICE

NOTICE IS HEREBY GIVEN that AHMEDALLI MAHOMEDALLI CHARBIWALLA, of Bombay Inhabitant has agreed to sell to our client his undermentioned property. Any person having any claim whatsoever in or to the property is required to communicate the same in writing to us at "Fort Chambers", Hamam Street, Bombay within 14 days otherwise such claim will be considered as waived.

All that piece or parcel of land or ground together with the messuage tenement or dwelling house standing thereon situate, lying and being at Haji Mahomed Noora Lane (formerly known as Mang Lane), Bandra, Taluka South Salsette, District Bombay Suburban (now falling in Greater Bombay) Registration Sub-District Bandra, Registration District Bombay Suburban admeasuring 183 square yards or thereabouts and registered in the Books of the Bandra Municipality under House No. 406 and in the Books of the Collector of Land Revenue under Non-Agricultural No. 50, Entry No. 1101 and bounded as follows:—that is to say, on or towards the North by storm-water drain, on or towards the South by Haji Mahomed Noora Lane (formerly known as Mang Lane), on or towards the East by the property bearing Non-Agricultural No. 49, belonging to Bai Fulibai, widow of Shah Ganeshmal Chaganji, known as Moti Marwadi Chawl and on or towards the West by a Gully and beyond that by the property bearing Non-Agricultural No. 51 belonging to Abdul Gaffur Battiwala.

Dated this 28th day of February, 1950.

NANU HORMASJEE & CO.
Purchaser's Attorneys.

(7251)

LEGAL NOTICES

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
Suit No. 1548 of 1949

SHIVAJI TEXTILE LTD., a Company Incorporated under the Indian Companies' Act and having its Registered Office at Nasik in the Province of Bombay on behalf of themselves and all other creditors of Vasantrao Deorao Deshpande, late inhabitant of Bombay, residing at Sardar Griha, Carnac Road, Bombay ... ... Plaintiffs.

Versus

(1) KAMLAKAR VASANTRAO DEORAO DESHPANDE (2) SUSHILABAI VASANTRAO DEORAO DESHPANDE (3) HEMALATABAI KAMALAKAR VASANTRAO DEORAO DESHPANDE, all inhabitants of Bombay, residing at "Hari Niwas" Shivaji Park, Dadar, Bombay ... ... Defendants.

To

All the Creditors of Vasantrao Deorao Deshpande, late inhabitant of Bombay, residing at Sardar Griha, Carnac Road, Bombay.

PURSUANT to the Order made by the Honourable Mr. Justice Tendolkar on the 18th day of November, 1949, in the above suit NOTICE IS HEREBY GIVEN under Order 1, Rule 8 of the Code of Civil Procedure that the plaintiffs abovenamed have filed a suit in this Hon'ble Court against the Defendants abovenamed on behalf of themselves and all other creditors of the Vasantrao Deorao Deshpande, late inhabitant of Bombay, residing at Sardar Griha, Carnac Road, Bombay, whereof the following is a concise statement viz.

(a) That an account may be taken of the movable and other property and estate of the deceased Vasantrao Deorao Deshpande and that the same may be administered under the decree of this Hon'ble Court;

(b) That for the purpose aforesaid all such accounts may be taken, directions given and inquiries made as may be deemed necessary;

(c) That the Defendants or either of them as may be found liable be ordered to pay to the plaintiffs out of the estate of the said deceased the sum of Rs. 40,600/- together with interest thereon at 9 per cent per annum from 21st October 1947 till judgment;

(d) That the Defendants or any one or more of them be ordered to account for the management of the estate of the deceased since the death of the deceased and to pay the amount found due on taking such accounts;

(e) That pending the hearing and final disposal of this suit, a fit and proper person may be appointed Receiver of the property of the deceased Vasantrao Deorao Deshpande;

(f) That the defendants may be ordered to pay to the Plaintiffs the costs of this suit and interest on judgment at the rate of 4 per cent per annum till payment;

and

(g) Such other reliefs may be granted to the plaintiffs as may appear just and proper.

AND TAKE FURTHER NOTICE that the hearing of the suit has been fixed for TUESDAY, the 28th day of March, 1950.

Dated this 8th day of December, 1949.

(Sd). K. K. DASTUR
For Prothonotary & Senior Master

Seal of the High Court at Bombay.

(Sd.) A. R. NARAYANSWAMI AYYAR

This 8th day of December, 1949.

GOKHALE KALE & CO.
Plaintiffs' Attorneys.

(7250)

AUCTION SALES

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IN ACCORDANCE with Section 184 of the Sea Custom Act 1878 under instruction from the Collector of Customs, Bombay Messrs. Menesse & Co. will sell by public Auction on Monday the 6th March 1950 at 2-30 p.m. (S.T.) at the New Custom House, Ballard Road, Confiscated Unclaimed and Uncleared goods such as Hand Loom Cotton Piece-goods; Cott Thread; Postal and Air Freight Parcels; Jewellery; Cigarettes; Electric insulated Wire; Lungies; Wearing Apparel, Personal effects; etc.

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AUCTION SALE of Big Lots Nuts, Bolts, Rivets, Cocks, Electric Cable, Ports, Mild Steel, valuable Naval equipment, etc., at I.N. Depot, Mankhurd, on 2nd March, at 10-30 a.m. (S.T.) For catalogues apply to: CRAWFORD & CO.

PUBLIC NOTICES

MEERA PICTURES, LTD.

NOTICE

IS HEREBY GIVEN that the Services of Messrs. LIGHT AND COMPANY, as Managing Agents of the Company have been suspended, by a resolution of the directors passed at their meeting held on 27-2-1950. The said Messrs. Light & Company or any partners thereof, are, therefore, no longer authorised to act as the Managing Agents of the Company or to do anything whatsoever on behalf of the Company as such Managing Agents.

By Order of the Board of Directors

M. R. PATEL
Chairman.

50, Bharda Wadi,
Andheri (Bombay)
28th February, 1950 (1651)

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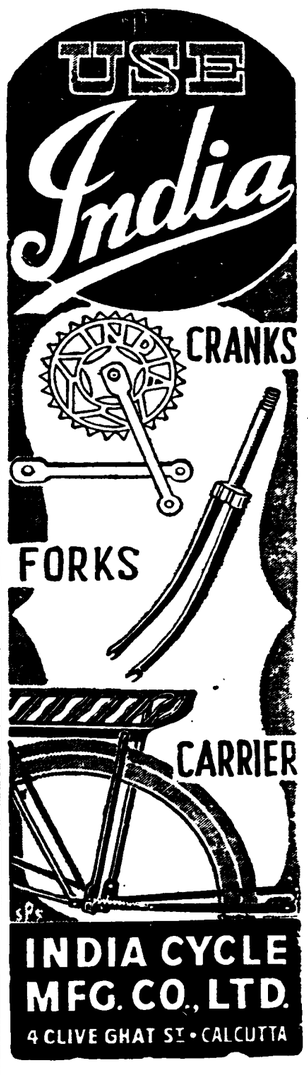

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MORARJI DESAI ACCEPTS ONLY ONE AMENDMENT

"Dismissal Of Essential Service Employee For Prejudicial Act"

BOMBAY, Tuesday

ONE out of nearly two crores of amendments moved by the Opposition was accepted by the Home Minister, Mr. Morarji Desai, when the debate on the second reading of the Bill to amend the Bombay Public Security Measures Act, 1947, was resumed in the Bombay Legislative Assembly today. Mr. K. S. Firodia, the Speaker presided.

The accepted amendment sought the deletion of the provision that "the Government shall recommend the dismissal of any person employed in any essential service, who was found to have acted in a manner prejudicial to the security of the State."

By a series of amendments, some of which were passed by the House, Mr. Babubhai Patel, Congress, sought to bring the Act in conformity with the Preventive Detention Bill, recently passed by the Parliament. One of these amendments granted temporary release on parole, to detenus.

The House also passed another official amendment, specifying that "any person arrested under the Act" should be produced within 24 hours of the arrest before the Commissioner of Police in Greater Bombay or before the District Magistrate in any other part of the State.

The debate on the second reading of the Bill had not concluded when the House rose for the day.

THROWN OUT

An amendment moved by Mr. S. L. Karandikar, Independent, that the life of the Public Security Measures Act should be restricted to only one year instead of three as demanded by the Government, was thrown out by a large majority.

Mr. Karandikar stated that the three-year period of life demanded by the Government was too long for emergency legislation of that type and it was therefore desirable to limit the period to one year. If at the end of the year the Government felt that the conditions warranted a continuation of the Act, it was open to them to extend the period. If they did so, the House would get an opportunity to express its views in the light of the circumstances prevailing at the end of the year.

Mr. A. A. Khan, Leader of the Opposition, pointed out that the present Bill was partly dependent on the Preventive Detention Bill passed by the Indian Parliament. The latter was given only one year's lease of life. There was therefore some likelihood of its being dropped next year. If that happened, a very anomalous position would be created by the present Act remaining in force for two years more. In order to avoid that contingency, it was better to restrict the life of the present Bill to one year. This would also facilitate the House to review the whole position afresh, at the end of the year.

The amendment was further supported by Mr. Peter Alvares, Mr. R. A. Khedgikar and Mr. Tulsiram Jadhav.

Mr. Morarji Desai opposing the amendment, said, that the fear expressed by the Leader of the Opposition had no foundation. He therefore opposed the amendment.

The amendment, when put to the vote was lost, 12 voting for, and 92 against it.

Report On Public Trust Bill

The report of the Select Committee appointed by the Bombay Legislative Assembly, to make suitable changes with regard to the Bombay Public Trusts' Bill, 1949, was presented to the House, today.

The Select Committee has recommended that it will not be practicable to apply only some of the provisions of the Bill, to any public trust or class of trusts, but that the Bill when it becomes an Act has to be applied as a whole.

The report has included in its definition of the word "Hindu" persons belonging to the Jain, Buddhist and Sikh religions also, and made it clear that a "Wakf" to which the present Bill is intended to apply will not include a "Wakf", as it is described in the Mussalman Wakf Validating Act of 1913, as the latter are not public trusts in the real sense of the term.

The Select Committee has recommended that the Charity Commissioner to be appointed under the Bill, when it becomes an Act, should be a person not lower than a District Judge or a Judge of the City Civil Court.

A new change in the report is that it is necessary to provide that if the trust properties consist of securities, shares or debentures, it shall be the duty of the trustee to stamp and endorse them in the prescribed manner, so that sufficient notice will be given to a person trying to acquire them.

The Committee has also amended the clause regarding the contributions of trusts to the Trust Administration Fund and suggested that this must be done by prescribed rules made by the government, in proportion to the gross income of the trust.

The Committee has further recommended that in an inquiry regarding a trust which is for the benefit of the members of a particular denomination, the assessor chosen shall as far as possible, be from that particular denomination and that assessors shall be paid allowances and not fees.

The Select Committee included Mr. B. G. Kher, Chief Minister and Mr. Morarji Desai, Home Minister, along with others.

Elect Trade Unionists

BOMBAY, Tuesday.

"It is high time that the workers of India chose their leadership for their Trade Unions instead of electing political leaders who have no knowledge of the trade" said Mr. Trivedi while distributing the certificates to the workers who had completed their course of training in Government Labour Welfare Centre at Naigaum.

REQUISITION ORDER UPHELD

Petition Dismissed With Costs

(Before the Hon'ble Mr. Justice Bhagwati)

Lawrence Z. Misquita
and another .....Petitioners
vs.
The Province of Bombay ..Respondent

Holding that permission had been obtained from the Government by false representation, His Lordship dismissed with costs a petition filed against the Government for a writ of certiorari to quash orders of requisition and allotment and for a writ of prohibition to forbear from enforcing them.

The second Petitioner was staying with his father, first petitioner in the latter's house at Vile Parle. As the second petitioner was to get married, permission from the Controller of Accommodation was applied for to allow him to occupy a block on the first floor of another bungalow also situated at Vile Parle, which it was represented the tenant of that block had readily agreed to vacate in order to accommodate the second petitioner.

PERMISSION GRANTED

The Controller granted the permission on condition that the second respondent surrendered his existing accommodation. The second respondent went into occupation of the block, and the Controller was informed by the first respondent that as his son had been staying with him, there were no premises which his son could surrender. On November 4, 1949 the Government passed an order requisitioning the premises and another order alloting it to one P. K. Dalvi, Personal Assistant to the Minister of Public Works, Bombay. The petitioners thereupon filed the present petition challenging the validity of those orders.

FALSE REPRESENTATION

His Lordship held that the Government's permission had been procured on the false representation that the existing tenant of the block in question had agreed to vacate it at the request of the first petitioner in order to accommodate the second petitioner who was to get married. His Lordship stated that the first respondent had, in his evidence admitted that no such request had at all been made and that the tenant had vacated the block of his own accord.

His Lordship was also of opinion that the permission having been granted conditionally, it was not proper for the second petitioner to go into occupation straightaway without first informing the Controller that he had no premises to surrender.

In the result His Lordship dismissed the petition with costs.

Mr. S. T. Desai instructed by Messrs. K. K. Vaidya and Co. appeared for the petitioners.

Mr. N. A. Palkhiwalla instructed by Messrs. Little and Co. appeared for the respondent.

SUIT FOR BROKERAGE

(Before the Hon'ble Mr. Justice Coyajee).

Shantilal C Maharaja ..... Plaintiff.
vs.
His Holiness the Mullaji Saheb of the Dawoodi Bohras .. Defendant.

A suit filed as a Short Cause by the plaintiff, an estate broker, to recover a sum of Rs. 39 000 by way of brokerage at the rate of 2 per cent in respect of the purchase by the defendant of an immovable property at Powai Road on Malabar Hill from E. F. Dinshaw and Miss Bachubai Dinshaw, was transferred to the list of long causes.

His Lordship directed that the suit should be placed on board for hearing immediately after a similar suit for brokerage which had been filed by the plaintiff against E. F Dinshaw and Miss Bachubai Dinshaw in respect of the same transaction.

The plaintiff alleged that the transaction had been brought about by his introduction and efforts as a result of which negotiations had started towards the end of 1946, and that the defendant had ultimately purchased the property at Rs 80 per square yard without informing the plaintiff and without mentioning him as a broker in the transaction.

Mr P N. Bhagwati instructed by Messrs Thakordas Daru Hemany and Co. appeared for the plaintiff Mr. M. M Desai instructed by Messrs Ambubhai and D.wanji appeared for the defendant

BETTER AMENITIES FOR THE POOR

V.L. Mehta On Bombay Government's Policy

BOMBAY, Tuesday.

The fundamental principle that has animated the Congress Government in Bombay since it assumed office four years back is to provide the primary social amenities of life to the poorer people by tapping the surplus resources from those who could afford to pay, declared Mr. V. L. Mehta, Finance Minister, replying to the two-day general discussion on the Budget in the Legislative Council today.

Mr. Mehta assured the House that the future taxation policy of the Government would be such as not to hamper or curtail the productive activities or prevent capital formation in the State.

The Finance Minister said that it was an achievement that they could formulate a balanced budget without recourse to fresh taxation and avoiding any withdrawal from the State's financial reserves.

DEVELOPMENT OF COMMERCIAL ART

Exhibitions Planned

BOMBAY, Tuesday.

With a view to developing the scope of commercial art and improving the lot of the commercial artists in this country, the first annual exhibition of the Bombay Centre of the Commercial Artists' Guild will be held in Bombay from March 20 to 26.

A general body meeting of all Bombay artists under the Guild will be held on March 25 to adopt the draft constitution of the Federation of Commercial Artists' Guild and to appoint an interim committee of the Federation.

KOLHAPUR, Feb. 28 (PTI)—Two persons, described as Communists, who had been detained here for about a fortnight, were released yesterday. They were arrested following some raids in the city on February 12 last.

Kasim Razvi Denies Whole Prosecution Evidence

FABRICATED TO DISCREDIT HIM AND HIS PARTY, SAYS HE

SECUNDERABAD, Feb. 28. (UPI).

SYED KASIM RAZVI, today, denied the whole prosecution evidence produced in connection with the Bibinagar dacoity case before the Special Tribunal, presided over by Mr. J. A. Pinto.

He complained that his "former political adversaries", the leaders of the Praja Party and the State Congress, had joined up with the police to have their "revenge" against him. "And the Government," he added "have brought a case against me as a justification for their action in Hyderabad."

FORCED EVIDENCE

Syed Kasim Razvi, who was answering the court's questionnaire framed on the prosecution evidence recorded, added: "All these witnesses were forced to give evidence by the socalled leaders of the Praja Party and the Congress, who, he stated, visited Bibinagar after the incidents, just to blame me, the Ittehad-ul-Muslimeen, the Muslims and the Government of the day. And these witnesses were trained by the police for months together and coached to give evidence in the witness box.

"The leaders of the above parties acted against me owing to their opposition to my organisation and their communal hatred. So far as the Praja Party was concerned, they were the leaders without a following. I as leader of the Muslim organisation, refused to acknowledge them as leaders. In the Legislative Assembly of Hyderabad I did not recognise the Party at all. So they were up against me and my organisation."

Regarding the Congress, Kasim Razvi said: "The leaders of that organisation were leaders of an unorganised party. They had no following. So I refused to acknowledge them as leaders of the people whom they claimed to represent. The Congress leaders were after jobs. As sheer job-hunters they were trying to exploit the name of the organisation. They wanted the help of my organisation for their selfish ends which I refused. Thus, they had a grievance against me and my organisation. So after the police action they joined hands with the police and brought all that is being brought against me."

"RULED LIKE AUTOCRAT"

About the order of the Military Governor for his trial by the Special Tribunal, the accused said: "He ruled like an autocrat, acting as his whims and fancies would direct him. He passed orders, irrespective of the fact whether they were legal, constitutional or not. Instead of sending cases to ordinary courts of law, he set up tribunals. There was no need for his order sending the cases to tribunals."

Uniforms, Razvi explained, came to be acquired by the Razakars from the army who auctioned them in thousands.

The accused, answering further evidence of the prosecution witnesses, totally denied having been to Bibinagar or Bhongir on the day of occurrence, commanding the looting operations and supplying a match box to destroy the bloodstained clothes with a view to destroying evidence. He described the evidence of the Additional District Superintendent of Police who met him in the dak bungalow at Bhongir, and that of the Station Master, the Investigating Officer and other witnesses and the exhibits in the case as false and fabricated."

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CITY & SUBURBS

Today

Hindu: Falgun Shud 21, 2006
Muslim: Jamadi-ul-Avval 11, 1369
Parsi: Shehrever 30, 1319
Sunrise: 6-59 a.m.
Sunset: 6-44 p.m.
Hightide: 09-26, 22-54
Lowtide: 04-32, 15-50

Today's Engagements

MUNICIPAL STANDING COMMITTEE: Meeting at 3-40 p.m.

MUNICIPAL SCHOOLS COMMITTEE: Meeting at 3-10 p.m.

UNIVERSITY OF BOMBAY: Prof. Herman Word, Director of University Institute of Statistics, Uppsala, Sweden will speak on "Synthesis of Pure Demand Analysis I" in lecture room, University of Economics, 6 p.m.

SUBURBAN INDUSTRIES ASSOCIATION: Second annual general meeting at the office of Kamani Ltd., Agra Road, Kurla, 4 p.m.

ART EXHIBITION: Opening of Magda Nachman's exhibition of paintings by Dr. J. H. Babha at Institute for Foreign Languages, Menaka Building, Outram Road, 6-30 p.m.

UNITED LODGE OF THEOSOPHISTS: Question and answer meeting with talk on "Why Do We Suffer" at Jehangir Wadia Building, Flora Fountain.

ALL-INDIA TRADE UNION CONGRESS: Com. V. Chakkarai Chettiar, the President will meet the press representatives at 11 a.m. in the Genetral Office, R. L. Trust Building, 55, Girgaum Road, 4.

PHYSICAL CULTURE DISPLAY: In aid of Daruwala's Physical Culture Institute, this (Wednesday) evening at C J. Hall, when a number of champion athletes will put up thrilling items of physical culture including stopping of beats of heart and pulse and 'self-hanging on gallows' by Prof. Temurasp Daruwala. Also a 'body beautiful' competition.

SINGLE STANDARD OF WEIGHTS IN BOMBAY

Use Of Pound Series To Be Discontinued

BOMBAY, Tuesday.

In order to secure uniformity in trade transactions throughout the State, the Government of Bombay has decided to prohibit, in three stages, the use of the weights of the avoirdupois pound series in all trades, except hardware, chemical and cotton. It has a so been decided to prohibit also in three stages the use of dry measures of capacity such as the Bombay Payali —four seers and the Bombay Maund of 16 payalies, etc., in trades such as foodgrains (ie cereals), seeds, spices, salt and flour.

With the discontinuance of the weights of the avoirdupois pound series, there will be only one standard of weights, namely, the seer series (one seer equal to 80 totals and one maund equal to 40 seers) in use throughout the State of Bombay.

SALES OF TEASURY BILLS

During the week ended the 24th February, 1950, Government of India Treasury Bills for Rs. 3,64,75,000 were sold in favour of tne Reserve Bank of India.

RANJIT'S Social Hit

GARIBI

Daily: 3, 6-15 & 9-30.
Booking: 10 to 8.

LIBERTY

MUNICIPAL BUDGET ADOPTED

Corporation Rejects Four Amendments

BOMBAY, Tuesday.

Discussions on the Municipal Budget were concluded today with the adoption by the Corporation of Budget Estimates 'B' pertaining to City Improvement Trust. The estimaes include the Municipality's contribution of Rs. 33 lacs 33 thousand, Government grant-in-aid in lieu of tobacco duty of Rs. 10 lacs, interest and profit on investment of Rs. five lacs, rents and proceeds of properties bringing in Rs. 58 lacs 70 thousand and miscellaneous receipts of Rs. 21,000, making a total income of Rs. one crore 16 lacs and 32 thousand.

On the expenditure side the budget shows Rs. 39 lacs 63 thousand on maintenance of properties and streets under the Improvement Trust and debt charges amounting to Rs. 76 lacs 69 thousand.

The Municipal Budget and the B.E.S.T. Undertaking budget estimates had been passed at earlier meetings.

Four amendments on the Improvement Trust budget which were moved today were rejected by the Corporation.

INCOME-TAX OFFICER ACQUITTED

Charge Of Illegal Gratification Fails

G. M. Hiremath, an officer in the Income Department who was being prosecuted for alleged acceptance of a sum of Rs. 2,500 as illegal gratification from a local businessman, was acquitted by Mr. R. S. Parekh, Presidency Magistrate Esplanade Court today. The prosecution case against the accused was that Velji Monji, a partner of Messrs. Monji Sundarji and Company, cloth dealers, went to the residence of the accused on February 8, 1949 at Vadala. The accused, is alleged to have accepted a sum of Rs. 2,500 from Velji for reconsidering Income Tax assessment of his firm.

The accused pleaded not guilty to the charge and stated that complainant. Velji did come to his residence but he considered him to be an unwanted visitor. He admitted the complainant in his house because the complainant told him that he had come to pay a casual visit. The accused made the complainant sit in a room and went inside when the complainant put the money on a sofa. He did not accept the amount. The magistrate disbelieved the story of the complainant and acquitted the accused.

CHECKING BORDER RAIDS

Armed Police Sent To Ahmedabad

(From Our Correspondent).

AHMEDABAD, Feb. 28: More precautionary measures are being taken in the Banaskantha border area which touches Pakistan, following raids from Pakistan. Fifty armed policemen have been sent from Baroda Headquarters. The tension which has been prevailing in this area has calmed down after the tour of Lt.-Col. Rajendrasinhji.

A scheme has also been formulated for protecting the village people in this area and so Bombay police chief, Mr. Chudasana, has been requested to send 200 more policemen.

Four Muslims were recently arrested at Suigram for entering without permit. Sixteen Muslims who had entered India were prosecuted for overstaying in India and were sent back to Pakistan.

Steps are being taken against anti-social elements in Banaskantha. Thirty-five persons have been arrested under Public Security Measure.

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EXCELSIOR 3, 6-15 & 9-30 (Adv.— 9-30 to 1 :: 2 to 7).
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The Pulse Of The City

ACID DEATH: Krishna Neroo Vaidya, a labourer, was found dead in his room at Chickal Market Building, Gaiwadi, Tuesday. It is suspected that the deceased drank acid; his lips and cheeks were burnt, and a brass vessel containing the acid was found in his room.

ROBBERY CHARGE: The Yellowgate Police arrested, Tuesday, Shabuddin Karim and Nawarkhan Ashankhan, on the charge of breaking open a godown belonging to a cotton piecegoods merchant and removed goods worth Rs. 7,000. They were arrested on informaton supplied by another person apprehended earlier.

PARTNER HIT: Lalbiharisingh, resident of Bhawan Chawl, Worli, was arrested by the police on a charge of attempting to murder his room mate, following an altercation over the disposal of some work pending in a city mill where the two are working. Ramdevsing is said to have picked a log of wood and struck Nimar, whose head was fractured. The latter is lying in a hospital in an unconsious condition

CRUEL TRICK: A mukadam employed by the City Municipality was lured out of his house, by an acquaintance of his who said he had some urgent work. This man, Yakub, took him to a building where they were joined by another person, alleged to be an accomplice of Yakub. The three entered a resturant where Yakub ordered meals for the three of them. The unlucky mukadam felt giddy when he had finished his meal and when he came to, he realised that his purse containing a gold ring had been picked. No arrests have so far been made.

BLACK MARKETING CHARGE: Popatlal Narottamdas Sahai and Pravin Popatlal Shah, iron merchants who were arrested in April last year for black marketing in iron netting were convicted, Tuesday, when the first accused was fined Rs. 1,000 and the second asked to pay a fine of Rs. 100.

FICTITIOUS ADDRESS: Three hundred and sixty five bottles of rectified spirit labelled as "Farmozan Hydrogen peroxide" were seized by the railway police at V.T. The parcels from Howrah and Meerut were booked to two Bombay firms, but the police who suspected something kept a watch on persons who were likely to take delivery. But when no one came forward, they were broken open. The investigations conducted by the police have disclosed that the addresses to which the articles had been sent are fictitious.

CALTEX STRIKE: The clerical staff of the Caltex Co. Ltd., went on a lightning strike, Tuesday morning, to protest against the threatened dismissal of their Union Chief, who they said was being penalised for his union activities by demotion, and threat of dismissal. The strike, it was later reported, had spread to some other petroleom companies.

AGAIN TO JAIL: Rambhav Keshav, who has had 18 previous convictions was sentenced to undergo four years' R.I. for cheating and for being a returned externee. On January 31 last, the accused cheated a person of Rs. 47 promising to find for him employment.

THEFT OF SARI: Itya Bhagwan who was charged with a theft of a sari worth Rs. 15, was sentenced to two years' R.I. He was sentenced to another two years' R.I. for being a returned externee.

EXPECT ONLY CONTEMPT

Mr. Rowjee's Reply To Liaquat

BOMBAY, Tuesday: "If Pakistan brings the threat of Liaquat Ali Khan into action by declaring war with India, they should expect nothing else but contempt from us, the Indian Mussalmans who are loyal to our motherland, and will do everything in our power to protect the freedom of India at the cost of our lives, says Mr. Mahomedbhoy I. M. Rowjee, ex-Mayor of Bombay in a press statement today.

He adds: "No Indian Mussalman will appreciate the war—like statement made by Liaquat Ali Khan, Prime Minister of Pakistan. It is evident from his challenge to the Prime Minister of India that he is following the dangerous path, and is likely to bring untold miseries by his vanity to humanity.

"The Indian Mussalmans are really the citizens of India by birth, choice and devotion. If Pakistan or any other foreign nation dare to invade India, notwithstanding that, I am fifty years old, I shall think it my bounden duty to volunteer my services to my Government for resisting the aggression and protecting and preserving the freedom of my motherland which is much dearer to me than my own life."

Haul Of Foreign Liquor

264 BOTTLES AT CASTLE ROCK

The extent of smuggling of foreign and country liquor from Goa, by the land route can be gauged from the huge quantities of smuggled liquors seized by the Preventive Staff of the Central Excise Department at Castle Rock, Bombay State's Railway Frontier, contiguous to the Portuguese territory of Goa, known as the "Estado da India Portuguesa"—a proud nomenclature employed by Portuguese Imperialism.

From this tiny foreign possession virtually rivers of liquor are smuggled by boot-leggers who bring vast quantities of liquor into Union territory i.e. Bombay State, through the land frontier and every aperture and avenue, explorable on the littoral that stretches along Bombay's long sea-front.

Mr. W. M. Robb, Assistant Collector of Central Excise popularly known as the Customs Department, has sealed every loophole on the Castle Rock Goa Frontier.

A case of 264 bottles of Maceira Brandy, and Goa country liquor valued at Rs. 1,500, was detected only last week, when passengers of a Bombay-bound train were searched. The search was conducted by Inspector Jack S. Coutinho of the Central Excise. Castle Rock, who was assisted by a party of other officers and men seven persons were arrested in this connection.

Large quantities of gold, valued at many thousands, are learnt to have been seized at this Frontier, while being clandestinely smuggled into Bombay territory.

The present haul of liquor is only a solitary incident and it may be mentioned that equally large hauls are being made, every now and then.

ZONAL MOVEMENT OF COTTONSEED

BOMBAY, Tuesday.

With a view to regulating movements of cottonseed according to the actual needs of the various areas in the State and avoiding cross-movements, the Government of Bombay has issued an order prescribing four zones within each of which such movement will be free but beyond any of them it can take place only with a permit from the Director of Civil Supplies, Bombay, or an Officer authorised by him in that behalf. The four zones are (1) Greater Bombay, (2) the Northern Division, excluding Thana district, (3) the Central Division plus Thana District and (4) the Southern Division.

TODAY'S RADIO

WEDNESDAY, MARCH 1

AIR NEWS FROM DELHI

English 8 a.m. 1-30 p.m 6, 9: Gujarati 8-45 a.m. 1 p.m. 8-15, Hindustani 8-15 a.m. 1-40 p.m. 6-10, 9-15. Kannada 7-45 a.m. 7-45 p.m.; Malayalam 7-30 a.m. 7-30 p.m.; Marathi 8-30 a.m. 12-50 p.m. 8; Tamil 7-15 a.m. 7-15 p.m. Telugu 7 a.m. 1-50 p.m. 7 p.m.

BOMBAY

7-30 am. Bhor Bhaee 7-35 Physical education 7-40 Today's programme 7-45 A. Kapadia G geets 8-15 M. D. Sadolikar kh. v. d. todui 12-45 p.m. Tantrakari 12-50 A. Kapadia G geet 1-40 Dorothy Kirsten, soprano 1-55 Music of B. Herrmann 2 Hindi by radio 5-20 S Ali tabla 5-35 Shalini Dhawle kh. v. d purvi 6-10 Music lessons 6-30 M. D Sadolikar kh. v. d. 7-10 Locals 7-20 K. H. Wakankar M songs 7-30 A Kapadia G geets 7-45 For industrial workers 9-10 S. Ali tabla 9-30 Film songs 9-45 Current Affairs review 10 Fun with music 10-15 Ruby Robinson soprano 10-30 R. O. House Orch

VARIATIONS: 8 a.m S. Ali tabla 8-45 K. H. Wakankar M songs 1 p.m. Kusum Pimplaikhare M songs 1-10 Mixed records 1-50 H. Kishem variety HU 2-20 Shin Gul, rabab 5 Hindi by radio 6 C. V. Rao K songs 6-20 For rural listeners 7-30 Commercial news 8-15 M. D. Sadolikar M pads 8-30 Dr. M. Chandra "Bharatendu Harishchandra" H 8-45 Radio orch 9 K. H. Wakankar vocal 10 V. Vakil "Chandani' M play 10-30 Shalini Dhawle kh. v. d.

BARODA

7-30 a.m. As in Ahmedabad 7-40 Physical education 7-45 V. N. Potkar sitar 8-15 As in Ahmedabad 8-30 M. Chuniram bhajans 5-30 p.m. For women 6-10 Hindi lessons 6-30 For rural listeners 7 As in Ahmedabad 7-15 R. Parikh "bhasanan natako" G 7-30 V N. Petkar sitar 7-45 M Chuniram bhajans 8 As in Ahmedabad 8-10 Locals 8-30 and 9-30 As in Ahmedabad.

AHMEDABAD

7-30 p.m. Prayers 7-40 Physical education 7-45 As in Baroda 8-15 Maya 8-30 As in Baroda 5-30 p.m. For women 6-10 Hindi lessons 6-30 Violin 6-45 J. Thakar geets 7 S Trivedi stage hits 7-15 R. Parikh "bhasannan natako" G talk 7-30 For industrial workers 8 Clarionet 8-10 Locals 8-30 G. A. Khan kh. bagheshri-bahar 9-30 D. Thakar "Mota Gharana" G 9-45 G. A. Khan, khyal.

Call To Observe Peace Week

BOMBAY, Tuesday.

The Permanent Committee of the All-India Peace Congress which met today under the chairmanship of Com- V. Chakkarai Chettiar gave a call to the partisans of peace all over the country to observe the Peace Week from April 23 to May 1, and to celebrate the first anniversary of the World Peace Congress held in Paris last year.

The Committee also welcomed the decision of the delegation of the World Peace Congress to include India in their tour and requested the delegation to come to India during the Peace Week.

SPURT IN SAVINGS DRIVE

Good Response In Bombay

BOMBAY, Feb. 28. (UPI): The Government of India's savings drive launched recently throughout the country is getting a very favourable response in Bombay. Latest enquiries made by the U.P.I. reveal that National Savings Certificates, worth about Rs. 6 1/2 crores, were sold in the State up to the end of December last year. The target of Rs. 8 crores—fixed for the State—one fourth of the total collections from all over India—would, it is hoped, be reached by the end of the current financial year.

WORKERS' MITE

A novel feature of the sale of the saving certificate in Bombay is that a substantial portion of the savings have come from workers and peasants, who seem to have taken very kindly to the scheme.

In order to further popularise the savings scheme, the authorities propose to organise "Savings Groups" and "Small Savings Music Circles" in all the villages of the State.

The appointment of authorised agents for the sale of National Savings Certificates in accordance with the suggestion of Dr. John Matthai, Finance Minister, Government of India, is expected to be made shortly.

EXPLOSION IN KARACHI

KARACHI, Feb. 28 (PTI)—Two persons were injured in an explosion here yesterday resulting from handling of photoflash powder packages. It is stated that as the coolies were handling packages in a godown, two of them received severe burns from a fire which was preceded by a loud report.

LOCAL SHOWERS IN MALABAR

All-India Weather

POONA, Feb. 28 (PTD): The following is the daily weather summary for Tuesday.

Weather has been dry over the country except for local showers in Malabar and a few showers in Assam.

Night temperatures were appreciably above normal in the east Madhya Pradesh and Hyderabad.

FORECAST VALID UNTIL WEDNESDAY EVENING: Dry weather will prevail over the country except for scattered showers in Upper Assam, Malabar and in and near the west Madhya Pradesh.

Night temperatures will rise in the central parts of the country.

The following is the daily weather chart showing the maximum and minimum temperatures and rainfall in inches during the past 24 hours, with total rainfall from December 1, 1949, and departure from normal recorded at 8 a.m. on Tuesday:—

Ahmedabad 92 65 0 0 minus 0.1; Ambala 81 48 0.4 1 plus 0.1; Bangalore 83 62 0 0.2 minus 0.8; Baroda 94 56 0 0 minus 0.3; Belgaum 89 63 0 0 minus 0.5; Bhuj 88 54 0 0 minus 0.3; BOMBAY 83 54 0 0 minus 0.3; Calcutta 88 62 0 0.2 minus 1.5; Darjeeling — 38 0 1.6 minus 0.4; Delhi 82 50 0 0.6 minus 1.6; Hyderabad (Dn.) 89 68 0 1.6 plus 0.6; Jubbulpore 86 59 0 0.8 minus 1.2; Kolhapur 93 69 0 0 —; Lucknow 85 54 0 2.3 plus 0.5; Madras 86 70 0 0.9 minus 6.3; Mahableshwar 82 61 0 0 minus 0.5; Mangalore 85 75 0 0 minus 0.7; Mussoorie 56 42 0 5.7 minus 1.8; Mysore 87 68 0 0.8 0; Negapatam 84 78 0 4.1 minus 10.4; Ootacamund 68 47 0 1.4 minus 2.1; Patna 85 59 0 0.5 minus 1.1; Patiala 79 48 0 3.3 —; Poona 94 60 0 0 minus 0.3; Rajkot 100 54 0 0 minus 0.2; Shillong 65 42 0 2.0 plus 0.1; Sholapur 95 71 0 0.1 minus 0.6; Simla 53 40 0 7.3 plus 0.5; Surat 97 62 0 0 minus 0.3; Vizagapatam 83 65 0 0.3 minus 1.6.

EXPORT OF PERSONAL BAGGAGE

BOMBAY, Tuesday.

It is notified for the information of the travelling public and clearing agents that the work relating to passenger's baggage has been transferred to the office of the Collector of Customs, New Custom House, Bombay-1, with effect from March 1, 1950.

Intending passengers are, therefore, advised to approach the Collector of Customs, Bombay, for export of all passenger's personal baggage except (i) motor cars and motor cycles, whether used or unused, and (ii) foodgrains, pulses and flour as well as other items of foodstuffs in excess of the existing permissible limits.

Applications for the above two items may continue to be submitted to the office of the Deputy Chief Controller of Exports, Bombay.

BOMBAY, Tuesday.

The Schedule to the Bombay Drugs Control Order, 1949, has been further amended by the Government of Bombay. Copies of the amending Order, which has been published in Part I of the Bombay Government Gazette, Extraordinary, of February 27, 1950, can be obtained from the Government Book Depot, Charni Road, Bombay.

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PROTECTION TO 20 INDUSTRIES

Parliament Passes Amendment Bill

NEW DELHI, Feb. 28, (PTI).

PARLIAMENT today passed the Indian Tariff (Second Amendment) Bill giving protection to 20 industries for periods ranging from one to three years, the Criminal Law Amendment Bill and the Special Criminal Courts (Jurisdiction) Bill.

The Commerce Minister, Mr. K. C. Neogy, speaking on the bill to amend the Tarriff Act, said that the Fiscal Commission was expected to submit its report in the course of the next few weeks.

The Special Criminal (Jurisdiction) Bill and the Criminal Law Amendment Bill, replace ordinances.

The first bill, piloted by Sardar Patel enables special criminal courts in States to try certain offences relating to matters in the Union list.

Sardar Patel said that both from the legal and humanitarian points of view, these courts had performed a useful function. Even if there were two opinions about the special courts, there could be no doubt that offences committed in the course of the same transgression should be tried by the same courts.

These courts have been set up in Bombay, Madhya Pradesh and West Bengal. Power is given to the Central Government to add any other similar State law within the scope of the bill.

The Criminal Law Amendment Bill, piloted by the Law Minister, Dr. B. R. Ambedkar, removes certain difficulties created by partition in regard to the attachment and freezing of misappropriated property. The delinquents in these cases include contractors and officers of Government.

TENTATIVE POLICY

Mr. K. C. Neogy, Commerce Minister, moved that the Indian Tariff (Second Amendment) Bill be taken into consideration. Mr. Neogy requested the House "not to make heavy weather" of this motion, for at the moment government's tariff policy was tentative in character and the time was not yet to consider what policy should be adopted for any number of years hereafter.

In the past the Tariff Board was an ad hoc body appointed to consider the case of any particular industry. In the present instance, the Tariff Board came into existence in 1945. It was not a permanent body but for the time being it was functioning as a standing body.

A year ago, Government appointed a Fiscal Commission to advise them as regards the future policy to be adopted by Government in the matter of protection of industries. The Commission had been working continuously for the last one year or so and its report was expected in the course of the next few weeks.

The Commission was also considering the desirability or otherwise of India continuing to be a party to the general agreement on trade and tariffs which she signed some time ago but from which it was possible for her to get out on six months' notice. Connected with this was the other question of India's adherence or otherwise to the Havana Charter.

PREFERENCE TO U.K.

The House would be specially interested to know that the Commission would advise Government on the question of continuance of the preference enjoyed by the United Kingdom and the reciprocal advantages enjoyed by India. The political aspect of the matter should not weigh with this country.

Under the present circumstances India was in a position today to put an end to the preference if she wanted to. What Government had asked the Commission to do was to give them an idea, from an objective point of view, of the value of the reciprocal concessions provided under the agreement. Apart from the question of politics, would it be to India's interest to put an end to that agreement? That was the issue to be considered when the Commission's report was received.

Mr. Neogy said that of the twenty industries mentioned in the bill, the protection for two was being removed and in the case of 14 the revenue duty was being converted into a protective duty which would give the industries concerned a psychological assurance.

Of the six remaining industries, in the case of ine the Tariff Board had recommended protection provided the sole concern was converted into a public limited company and shifted nearer to Calcutta where there were some natural advantages. The industry was trying to get a site near Calcutta and when successful will shift to that place and convert into a public limited company.

THE SAME SONG

Mr. B. Das (Orissa) hoped that the Fiscal Commission's recommendations would be aimed at developing Indian national economy in Indian interests and not subordinate to British andw American economies. "The United Kingdom" sold Mr. Das "has sucked our blood". India was still paying a "heavy price" for the policies of the previous regime.

He wanted the Tariff Board to consider not merely the question of Tariffs but also bounties.

Mr. R. K. Sidhwa said that the Commerce Minister was "singing the same song" whenever the question of protection came up before the House. Without proper statistics, how would Government find out whether the protected industries fulfilled the conditions of protection?

"It is universally known", said Mr. Sidhwa "that the statistics of this Government are absolutely unreliable."

He wanted the Fiscal Commission's report to be debated by the House thoroughly for one week.

CHANGE IN CHARACTER

Mr. Devi Dutt Pant (Uttar Pradesh) while agreeing to the principle of protection wanted an impartial committee to go into every case to see that only nationals of India benefit under the production and not a felw individual capitalists.

Mr. Bali Ram Bhagat (Bihar) wanted that with the change in political character of the country there would be a change in character of protection also.

Protection should not be haphazard bue should be viewed as part of the national economy of the country.

Mr. Neogy, replying to the debate said that the criticisms would have been relevant when the House considered the general question of protection or discussed the report of the Fiscal Commission.

The House passed the bill within a few minutes without any further discussion.

The bill discontinues protection to the phosphates and phosphoric acid, and steel belt lacing industry. In the case of five industries—cocoa powder and chocolate, bicromate, coated abrasives, antimony and hurricane lanterns—the protection is being given till December 31, 1952.

In the case of 13 industries—glucose, alloy, toll and special steels, ferro-silicon, non-ferrous metals, batteries for motor vehicles, calcium chloride, sodium sulphate, sodium bisulphite and sodium theosulphate oleic and stearic acids, plywood and tea chests, cotton and hair belting, wood screws, iron or steel baling hoops and dry batteries the protection is till 31st December 1951. The protection to the sewing machines and electric motors industry would be till the end of the year 1953.

Lend Support To The Congress

BERAR LEADER'S PLEA

(From Our Correspondent).

GWALIOR, Feb. 28: Speaking at a big public meeting here last evening Mr. Brijlaj Biyani, the Berar Congress leader, strongly criticised those political parties which opposed the Congress and appealed to the people to give their support and co-operation to the Congress organisation and the Congress Government. He paid his tributes to Sardar Patel, who, he said, had contributed much towards India's integrity by abolishing over 500 feudal Indian States. He added that Congress stood for Gandhian conception of unity among the various classes and communities.

He assured the people that the Government of India would solve the Kashmir problem by peaceful means but asked them to be prepared to face any eventuality.

VITAMIN 'A' FROM SHARK LIVER OIL

Experimental Work At Bombay University

NEW DELHI, Feb. 28 (PTI)—Vitamin 'A' concentrates are obtained from shark liver oil by the molecular distillation method. An article on this subject, appearing in the February issue of the "Journal of Scientific and Industrial Research" describes the experimental work carried out at the Department of Chemical Technology, University of Bombay, on the distillability of Vitamin 'A' rich fractions from Indian shark liver oil.

Purification of commercial stearic acid is described in a second research paper published in the journal.

Another article describes a pilot plant for the production of pure nitrogen or nitorgen-hydrogen mixtures of the required composition used in the production of synthetic ammonia. The plant has been designed and fabricated from easily and readily available material, and has a capacity of 500 litres of synthesis gas per hour.

Injunction Against Sailing Of Chinese Ship

SINGAPORE, Feb. 28 (PTI-Reuter): Mr. William Langdon, American Consul-General, has secured a temporary injunction here to prevent the sailing of the 7,198-ton liberty ship "Hai Hsuan" which has hoisted the Communist flag.

Mr. Langdon said the United States Government intended to "take back" the ship because the Chinese Nationalists had failed to maintain annual instalments on its purchase. The vessel was bought in 1947.

QUAKE RECORD: An earthquake shock of moderate intensity at its origin with epicentre about 4,030 miles away from Poona, was recorded by the seismographs in the Meteorological Office, Poona, at 16 hours two minutes IST on Tuesday.

No Conversion Of Muslims

INDIA DENIES PAK OFFICIAL'S CHARGE

NEW DELHI, Feb. 28 (PTI): The Government of India today described as "false and mischievous" the statement by Mr. Mohd. Ashraf, formerly liaison officer attached to the office of the Pakistan High Commissioner, in the course of which he alleged that one lakh Muslims had been forced to embrace Hinduism in East Punjab and that most of the mosques had been converted into temples.

A press note issued by the Ministry of External Affairs says, "it is true that some people embraced Hinduism and Sikhism in East Punjab during the 1947 disturbances, but most of them have since migrated to Pakistan. Similar conversions on a much larger scale took place in Pakistan but about these Mr. Mohd. Ashraf is discreetly silent.

It is altogether false to say that most of the mosques in the Punjab (India) have been converted into temples.

Eradicating Evil Of Gambling

AHMEDABAD POLICE OFFICERS CONFER

(From Our Correspondent).

AHMEDABAD, Feb. 28: The attention of the police officers has been drawn to press reports that the evil of gambling, especially in American futures, is on the increase.

A conference of police officers was held on Monday when it was decided to take strong measures against this evil.

Many hotels which remained open in spite of the Shops and Establishment Act were centres of such gambling. It was decided at the conference that the license for those hotels should be cancelled.

ADDITIONAL BOMBERS

WASHINGTON, Feb. 28 (PTI-Reuter)—Nine United States Air Force groups—including one stationed in Britain—are to receive additional bombers and tanker planes, the Department of Defence announced last night.

Nine groups of Superfortresses were being reorganised to provide for 45 bombers in each group instead of 30 bombers and 20 tankers.

REMOVAL OF SAKSENA FROM RAJGHAT

Adjournment Motion In Parliament

NEW DELHI, Feb. 28, (PTI).

FOLLOWING a forty-five minute heated discussion, Speaker Mr. G. V. Mavalankar, amidst frequent interruptions by front benchers, ruled out an adjournment motion which sought to discuss the removal this morning of Prof. Shibbanlal Saksena, a member of Parliament, from Rajghat where he has been fasting for the last ten days.

Prof. Shibbanlal Saksena was removed this morning from Rajghat under the order of the District Magistrate and was put in a train for Gorakhpur. An externment order which was served on him was cancelled.

Another adjournment motion on the same subject which sought to raise the question of breach of privilege was also ruled out, on the ground that the question of privilege could not form a subject matter of an adjournment motion.

RAJGHAT TOO SACRED

Mr. Mavlankar at the outset said that detention or arrest of a member of the House under ordinary law of land could not be said to raise a question of privilege.

Sardar Patel said that when Prof. Shibbanlal Saksena started his fast ten days ago at Rajghat, he wrote a letter to the Prime Minister that he was going on a fast for remedying a grievance of workers of sugar factories in Uttar Pradesh.

The Prime Minister advised him not to fast at Rajghat. "The House will agree, Sardar Patel said, "that Rajghat is not to be exploited for political or trade union purposes and it is too sacred a place for that purpose.

"Prof. Saksena wrote a letter to me also. Generally my practice is to advise those who are fasting to go on fasting and encourage it as it (fast) will do physically as well as spiritually a lot of good. I did not want to embarass him therefore I did not reply to him.

"But the Chief Commissioner, who has been watching the activities at Rajghat thought that there was going to be some trouble and on that ground and on two other grounds he decided that he should be removed from this place".

CAN COME BACK

"Prof. Shibbanlal is a determined person and if he is determined to risk his life, it is better to remove him to a place where his relations can look after him. His grievance is against the U.P. Government and not the Delhi Government".

The Home Secretary advised the Chief Commissioner to take proper precautions and examine him medically before removing him. Prof. Shibbanlal was examined by the civil surgeon before he was removed. An order for externment of Prof. Shibbanlal for three months was also passed by the District Authorities when the order for removal was served.

When this was brought to the notice of the Home Secretary the order of externment was cancelled. Sardar Patel said: "If he wants he can come back but he will never be allowed to go to Rajghat, or use the place for such purposes which is an insult to the sacred memory of that great personality who would certainly have advised him not to fast because fast is not meant for political exploitation".

Mr. Rohini Kumar Chaudhry: "Can he come back and continue his fast"?

Sardar Patel: "Yes. He can come back and even after taking goat's milk he can come back".

ADMISSIBILITY

Speaker:—As soon as the externment order came to the knowledge of the Home Secretary that order was cancelled. Prof. Shibbanlal is also free to come to Delhi and to the House whenever he likes. There is, therefore, no question of breach of privilege.

Mr. Rohini Kumar Choudhry: If that is the order why was he taken in a police van to the railway station?

Sardar Patel: He was being removed under the order of externment to his own place Gorakhpur and as soon as the Home Secretary knew about it, he got the order cancelled. The order was not proper and that was why it was cancelled.

The Speaker felt that for the present the question before the House was one of admissibility of the motion. The merit of the question, or the propriety of the fast or the order were not the real issues.

Dr. Ambedkar said that after the explanation of the Home Minister, the matter did not survive.

Continuing, the Speker said that the question of privilege could not form the subject matter of an adjournment motion and he, therefore, ruled out the motion.

JUSTIFICATION

Mr. Mahavir Tyagi rising on a point of order said that in the past when notices of adjournment motions were given, the House did not have the privilege of knowing the name of the mover or the text of the motion. Further, the member concerned should have been given a chance to say something on the subject and then the Treasury Benches should reply.

"It is not for the Chair to decide whether Government is justified or not; it is for the House to decide whether the Government is right or not. It is the privilege of the House", he said.

The Speaker said that so far as adjournment motions were concerned, there were certain rules to govern them. Unless motions were definite matters of urgent public importance of recent occurrence, they could not be allowed.

PATTABHI STEPS IN

The Congress President, Dr. Pattabhi Sitaramayya, supporting the admissibility of the adjournment motion, invited the attention of the House and the Speaker "to the extraordinary and serious state of affairs". Prof Saksena had been removed in the morning and the adjournment motion had been tabled at 9-15. At 11-45, while they were considering the motion, they were being told that the operative portion of the externment order under which the person had been removed had been cancelled.

The Congress President wanted to know the exact time when the order was cancelled.

Sardar Patel explained that the portion of the Chief Commissioner's order prohibiting Prof Saksena from entering Delhi for three months had now been cancelled.

Dr. Sitaramayya said that an order had been served and in pursuance of that order the person had been removed and put in a train and he must be some 120 miles away. "How is it to be rectified unless that person is brought back"? the Congress President asked. He, therefore, submitted that the adjournment motion was admissible.

BEFORE OR AFTER?

Mr. Kamath: "Was the operative part of the externment order cancelled before or after his removal"?

Sardar Patel: "The motion was given at ten a.m. I received intimation at eleven and I made enquiries and this is what I have found. I cannot say whether the order was served on the way or otherwise".

The Speaker: "We are not conducting a post-mortem".

The Congress President: "We are conducting an autopsy".

Mr. Manavir Tyagi asked the Speaker to record in writing the grounds for his ruling out the motion.

The Speaker said that one of the motions sought to raise the question of privilege and hence it could not be admitted. As regards the other motion, there was actually no action for it now as the order did not survive and there was no order banning Prof. Saksena's entry. The facts of the adjournment did not hence survive.

DR. HO READY: Indo-Chinese insurgent leader Ho Chi Minh is ready to sign "friendship, financial and economic treaties with Russia and other countries recognising the Vietminh Democratic Republic." Foreign Minister M. Hoang Minh Giam declared in a broadcast in Saigon on Monday night.

BOMBAY TO HAVE SUGAR FACTORY

Jairamdas's Disclosure In Parliament

NEW DELHI, February 28, (PTI).

MR. JAIRAMDAS DAULATRAM, Agriculture Minister Government of India told in Parliament today in reply to a question by Mr. R. K. Sidhwa that sanction had been given for setting up one sugar factory in Bombay. The plant would cost Rs. 12,22,000.

The transport Minister told Mr. R. K. Sidwa that goods worth Rs. 30,000 belonging to the Government of Sind were lying in the Bombay harbour. Want of export licence and negotiations with the Bombay Port authorities regarding demurrage charges were some of the reasons for the non-delivery of the goods.

Answering supplementaries, the minister said that the Port Trust had sanctioned as a special case remission of one-third of the demurrage.

The Agriculture Minister told the same member that sanction had been given for setting up one sugar factory in Bombay. The plant would cost Rs. 12,22,000.

He said it was the policy of the government to encourage setting up of sugar factories in Bombay because the yield of cane per acre in Bombay was higher. The question of rationalisation of the sugar industry on an all-India or provincial basis was under the consideration of the government and their conclusions would be known in a month or two.

ASSAM RAIL LINK

Mr. K. Santhanam, Minister of State for Railways, said that at present two passenger trains and four goods trains were carried per day over the Assam rail link. "We shall put as many passenger and goods train on the track as the capacity of the line allow", he added. Essential goods for government, commercial and industrial purposes were being carried over the link.

The daily wagon demands being met by priority organisation were 131 wagons from Assam, 44 from North Bengal and ten from Katihar. In the reverse direction they were meeting demands for 170 wagons to Assam and 94 to North Bengal.

The Deputy Ministry for Communications, Mr. Khurshid Lal said that Government of India proposed to introduce very soon at the civil aviation training centre at Allahabad construction of a few gliders with a view to evolving prototypes for mass manufacture. Government was subsidising the gliding association of Bombay which wouldd start functioning at Poona from March 1950. When instructors were trained, gliding wings would be started in the flying clubs.

Mr. Khurshid Lal said that while Mangalore had been surveyed for the construction of a civil aerodrome, no suitable site had been found. Further efforts would be made to find a site but it was not possible under the circumstances to say when construction would begin.

Mr. N. V. Gadgil, Works Minister, told Dr. Ram Subhag Singh that at present there were only two foreign engineers working in the Damodar Valley Corporation, but it was not possible to say how many foreign engineers would be employed by the corporation in the future.

Answering a supplementary, Mr. Gadgil said that as far as the Government knew, the D. V. C., which was an autonomous body, intended to recruit a chief engineer from the United States.

Mr. Shiva Rao: Is it a fact that in view of the recruitment of a large number of personnel, the overhead charges of the D. V. C. are more than double than that of the Hira Kud and Bhakra Dam Projects?

Mr. Gadgil: I am afraid the charges are relatively higher.

Pandit Kunzru: In view of answers given by the Hon'ble Minister, is it the duty of the Government to go on giving money to this corporation when in the matter of appointments and retrenchment, it refuses to consult the Government of India?

Mr. Gadgil: I share the member's anxiety The matter is under consideration.

The Works Minister also told the House that members would be given an opportunity, during the present session, to discuss the annual report of the D. V. C.

OLD SYSTEM REPLACED

The system of "Raj" telegrams by States which have merged into provinces or are Centrally administered has ceased and has been replaced by "State" telegrams.

Mr. Khurshed Lal, Deputy Minister, told Mr. Raj Kumar Kunwar that exrulers were, however, permitted to send "Raj" telegrams as a special privilege.

Answering a supplementary Mr. Khurshed Lal said that the system of "Raj" telegrams would be abolished in the States Unions from April 1.

Mr. Jairamdas Daulatram in a written answer stated that the Central Government had passed no orders to the states governments to kill wild animals for the preservation of corps. The state governments had only been advised to take effective steps to protect crops from damage by wild animals which lived and fed on foodgrains.

U.P.I. Adds: The reported loss of jewellery of Thakin Nu, the Prime Minister of Burma, through theft, figured prominently in Parliament today.

The Minister of State for Railways, Mr. K. Santhanam, replying to Mr. H. V. Kamath, said that it was wrong to say that Thakin Nu lost some jewellery through theft while travelling by train from Calcutta to Gaya. There was, however, a report received from a member of a party travelling in the same train that there was a theft of some jewellery belonging to one of the members of the party. The party is said to have included the wife of the Prime Minister of Burma.

Mr. Kamath:—Whether the defect reported to have been pointed out by Thakin Nu in the latches of the door of his compartment has been inquired into, if so, with what result.

Mr Santhanam:—A memoer of the party did complain that the latch of a window stutter was defective. Government are informed that this was the latch which holds the window in an open position. The locking catches and bolts were all in order.

Mr. Kamath:—Has the stolen property been recovered?

The Minister:—Police investigation is still continuing and it is not known whether the stolen property has been recovered.

RETRENCHMENT

The Minister of Works, Mines and Power said 252 clerks and about 1,000 labourers on the work-charged staff had been retrenched from the C.P.W.D. and about 500 labourers were proposed to be retrenched.

The percentage of the retrenched and to be retrenched staff was about 9 and 7 per cent respectively.

CENTRAL SUGARCANE COMMITTEE

Reconstitution Plea

NEW DELHI, Feb. 28, (UPI): The thirteenth meeting of the Indian Central Sugarcane Committee ended its two-day session in New Delhi today, after referring to its finance sub-committee a proposal to appoint a small sub-committee to negotiate with the Government of India on the reconstitution of the Indian Central Sugarcane Committee, so that all problems connected with the sugar industry could be entrusted to one Central agency.

The Committee also passed by a majority a resolution to give encouragement to the manufacture of gur and to enlarge the scope and efficiency of this important cottage industry.

LABOUR NEWS IN BOMBAY

BOMBAY AUTOMOBILE EMPLOYEES' UNION: All the employees of the Kandawala Auto Repairs have formed themselves into a Union and joined the Bombay Automobile Employees' Union.

BOMBAY GENERAL EMPLOYEES' ASSOCIATION: The negotiations between the management and the workers of the New Bombay Dyeing and Printing Works having failed, the Union has requested the Government to refer the matter to the Industrial Tribunal for adjudication.

FAREWELL TO ELMHIRST

Touching Scene At Delhi

NEW DELHI, Feb. 28 (PTI)—Air Marshal Sir Thomas Elmhirst, who recently relinquished the command of the Indian Air Force, and Lady Elmhirst, left Delhi this morning for Bombay from where they will sail for the U.K. on March 2

The IAF band played "Auld Lang Syne" followed by "Raj March", and Air Marshal Sir Thomas and Lady Elmhirst who were very much moved, waved from the window of the moving train acknowledging the good wishes of the many friends they made, during their three years' stay in India.

The U.K. High Commissioner and Lady Nye, Australian High Commissioner and Mrs. Gollan, Mr. and Mrs. H M. Patel, General K. M. Cariappa, C-in-C., Army, Vice-Admiral Sir William and Lady Parry, Air Marshal Ivelaw-Chapman, C-in-C., IAF, Lt. Gen. Shrinagesh, C-in-C., Western Command, Major-Generals Kalwant Singh and Wilkinson, Brigadier Lorring, Colonel Robert P. Mukerjee, Air Commodores A.M Engineer, Narendra, D.A.R. Nanda and R.H.D Singh and many senior officers of the IAF were present.

Dissolve State Of Hyderabad

DEMAND AT KALYAN MEETING

(From Our Correspondent)

KALYAN, Feb. 28.

A demand to dissolve the Hyderabad State and to merge the three linguistic portions of Andhra, Maharashtra and Karnataka into the respective Andhra, Maharashtra and Karnataka provinces was made at the public meeting which was held under the joint auspices of the local Hindu Mahasabha, Socialist Party and Peasants and Workers Party in Sarkar Wada on February 26 Many prominent leaders addressed the meeting.

The speakers held that it is ridiculous to keep Nizam as a Rajapramukh of Hyderabad and criticised the Government for not dissolving the Hyderabad State.

MADHYA BHARAT CAPITAL TALKS

Ministers Leave For Delhi

(From Our Correspondent).

GWALIOR, Feb. 28. Ministers of Madhya Bharat and leaders of the State Union, Messrs. Gopikrishna Vijayavargiya, Ram Sahai, Ramkrishna Dixit, Shyambal Pandviya, Mishrilal Gangwal, Rameshwar Dayal Totla, Liladhar Joshi, Vishwanath Khode and Kashinath Trivedi left for Delhi last evening by car for consultation with the States Ministry regarding the selection of a permanent capital for Madhya Bharat.

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Greys 'A' Held To A Goalless Draw

KILLEDAR CUP HOCKEY FOR WOMEN AT COOPERAGE

BOMBAY, Tuesday.

The first semi-final of the Killedar Cup Hockey Tournament for Women ended in a goalless draw in spite of extra time. Bombay Grey's "A" failed to register any score against a stubborn City "B" team at the Cooperage this evening.

Mrs. M. Wilson of the City side was mainly responsible for keeping the powerful Greys attack at bay and also broke up some very dangerous moves. Her task was lightened by able support from the entire defence who played brilliant hockey, not in patches, but throughout the sixty minutes. They were Doreen Augusto, Lillian Black, Betty Killert and Marie Schmidt. To relieve pressure on the defence the forwards did their bit well and as opportunity provided. Mary Ann Temple, Andrey Rodrigues and Violet Peters troubled the Greys defence time and again, but Pansy Thomas was there to pocket them.

GOALKEEPER SHINES

A word of mention must be made of the clever and courageous saves affected by Delma Johnson in the City goal especially as she rose up from her sick bed to assist her side.

For the Grey's Pansy Thomas, the diminutive right back was her usual self. Dorothy Adams as left half gave a good display. Among the forwards Mrs. Pat Hickson is the only player who can be singled out for her capital centres which went abegging.

Bombay Greys have themselves to blame for not making their position safe quite early. They were taking things quite easy and only tried hard after the breather and still they failed to cripple the City defence. They missed some nice scoring chances and when the full time whistle blew the sides were even.

Extra time was played. The rules of the tournament state that no extra time shall be played in the semi-finals and finals, but the tournament committee exercised their discretion to do otherwise as the women players will be leaving for the All-India Tournament at Bhopal and the Killedar Tournament is to be concluded early.

CHANCES WASTED

Bombay Grey's failed to take advantage of some glorious chances in the first period of extra time. Yvonne Carvalho missed a sitter from close range off a pass from Raj Salway. She was followed by Marie Misquitta, but Pat Hickson proved to be unlucky as she tried with a powerful shot from the top of the circle but Delma Johnson saved efficiently.

CITY UNLUCKY

During this period City had one chance when Mary Ann Temple, the right winger rushed into circle and centred from goal line but the ball went to the Miss Verdes the goalkeeper who just managed to save by getting her hands to the ball. The second session was less interesting than the first and the match ended in a draw.

The teams:

BOMBAY GREYS "A": Maggie Verdes; Pansy Thomas, Lorna Read; Patricia Brown; Rebecca Hajioff, Dorothy Adams; Pat Hickson; Ruby McCarthy, Yvonne Carvalho; Marie Misquitta, Ray Salway.

BOMBAY CITY "B" Delma Johnson; Marie Wilson, Doreen Augusto; Lillian Black, Betty Killett, Marie Schmidt; Mary Ann Temple, Violet Peters, Terry Augusto, Andrey Rodrigues, Dinoo Darukhanawalla.

Umpires: Ben Proudfoot and F. Correa.

OCS WIN AT LAST

In the earlier match played at the Cooperage in the Jepsen Cup Hockey Tournament Overseas Communications beat Goan Sports "B" in the third replay by a solitary goal scored in the first five minutes of extra time by centre forward Simoes as a result of a goal mouth melee.

KALYAN BADMINTON TOURNAMENT

(From Our Correspondent)

KALYAN, Feb. 28.

The Final of the Kalyan Badminton Tournaments were played on Sunday the 26th instant and the following are the winners and runners up.

MEN'S SINGLES—Mr. S. R. Pradhan (Winner) and Mr. R. D. Raje (Runner-up.)

LADIES SINGLES—Miss Bagwe (Winner) and Miss N. R. Pradhan (Runner-up.)

MEN'S DOUBLES—Mr. S. R. Pradhan and Mr. Patange (Winners.) Mr. G. Durham and Mr. Jacob (Runners-up.)

LADIES DOUBLES—Mrs. Bagwe and Miss Bagwe—(Winners) and Mrs. Hoshangadi and Mrs. Murthy (Runners-up).

MIXED DOUBLES—Mr. S. R. Pradhan and Miss Usha Diwadkar (Winners) and skilled prizes was awarded to them.

Several spectators witnessed the match which was interesting from beginning to end. The Championship Cup was awarded to Mr. S. R. Pradhan by the Young Stars Club of Kalyan.

Shet Devanand Jetha Raja has distributed the prizes to the winners and runners-up.

In the Day's Sport

HOCKEY

Cooperage—

4-30 p.m. Blue Wizards vs. I. N. Civilians (Jepsen Cup-Replay).

5-40 p.m. Lusitanians vs. Greys "D" (Killedar Cup—Replay.)

St. Xavier's College Ground, Parel—

5 p.m. St. Xavier's College "A" vs. Juveniles (Lewis Cup—Replay).

G.B. Police Win Senior Division

PAREL HOCKEY LEAGUE CONCLUDES

BOMBAY, Tuesday.

The Parel Hockey League concluded this evening. Two deciding games were played one in the Senior Division and the other in the First Division at St. Xavier's College Ground, Parel.

Greater Bombay Police "A" beat B.B. and C.I. Railway "B" by a narrow margin— the odd goal in three—The Railway scored first through Joe Rodrigues in the second session, but Tambe earned the equalizer for the Police. Then came a much disputed short corner goal which was scored by Jameson which brought victory to the Policemen.

In the first division match General Motors were concerned in a goaliess draw with Blue Wizards, but they won the division an a better points.

In the third game which was in the nature of an exhibition game Bombay Port Trust "B" winners of the second division beat Mahim Young Boys winners of the third division by three goals to one.

Don Bosco High School won the fourth division which was confined to Schools.

INVITATION HOCKEY TOURNAMENT

Commences On March 5 At Cooperage

BOMBAY, Tuesday.

The Invitation Hockey Tournament for the M. K. Rao Trophy will see twelve teams participating. Besides the usual local stalwarts like the Lusitanians, Tatas, Combined Railways, Maharashtra and St. Xaviers, the is a strong up-country challenge. East Punjab, Hindustan Aircraft, Bangalore; and Delhi will be serious contenders for premier honours.

The following is the draw and the tournament commences on March 5:-

TOP HALF:- (First quarter):- Lusitanians (Bye); Young Sports vs. Combined Railways; (Second quarter):- Bombay City vs. Delhi; East Punjab (Bye):

BOTTOM HALF (Third quarter):- Hindustan Aircraft (Bangalore) (Bye) Maharashtra vs. I. Naval Dockyard; (Fourth quarter); St. Xavier's vs Times of India; Tatas (Bye):

The following are the fixtures:-

Sunday, March 5:- 4-20 St. Xavier's vs. Times; 5-30 p.m. Maharashtra vs. Dockyard:

Monday, March 6. 5-30 p.m. Young Sports vs Combined Railways.

Tuesday March 7, 5-30 p.m. Bombay City vs. Delhi.

Wednesday March 8, 5-30 p.m. Tatas 'A' vs. winners of Xavier's vs. Times.

Thursday March 9, 5-30 p.m. Hindustan Aircraft, Bangalore vs. winners of Maharashtra vs. Dockyard

Friday March 10, 5-30 p.m. Lusitanians 'A' vs. winners of Young Sports vs. Combined Railways.

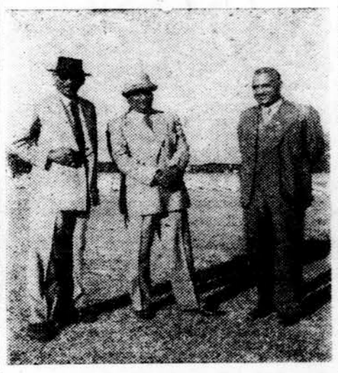
Saturday March 11, 5-30 p.m. East Punjab vs. Winners of Bombay City vs. Delhi.

Sunday March 12, First semi-final Lower Half:

Monday March 13: Second semi-final Top Half.

Wednesday March 15: Final.

SOUTHERN COMMAND ATHLETICS



The Southern Command Athlete Meet was held on Sunday February 26th. Jubbulpore sub-area won the Team championship. The picture on the right shows Rani Rajendrasingh, wife of Lt. Gen. Maharaj Shri Rajendrasinghji, G.O.C.-in-C., Southern Command giving away the championship trophy to the Captain of the Jubbulpore team. The picture on the left is a group photo taken on the occasion of the opening of the Southern Command Sports Stadium. Standing left to right are: Major Gen. Rudra, Area Commander, Madras, Lt.-Gen. Rajendrasinghi G.O.C-in-C., Southern Command and Major Gen. D. S. Brar, Area Commander Bombay Area.

WESTERN INDIA BILLIARDS

Complete Draw Announced

BOMBAY, Tuesday.

The Western India Billiards and Snooker Tournament promises to be of keen interest to followers of the 'green". Leading cueists will be participating, chief among them being T. A. Selvaraj, Percy Edwards, Mansur Tyebjee, Wilson Jones, Rafeek Dina, C. Hirjee and M. Concessio.

The tournament is being played at the Islam Gymkhana and the difference this year is that two tables will be employed instead of one and matches will commence at 6 p.m.

The following is the draw for the Billiards Tournament:—

UPPER HALF: (first quarter) Wilson Jones (Bye); M. R. Shah vs. S. R. Knambatta (Bye); U. M. Chaiwalla vs. J. A. Patel (Bye); 'E' Player vs. M. H. Karim (Bye); "G" Player vs. R. K. Adenwalla (Bye); M. Concessio (Bye): (second quarter):— Rafeek Dina (Bye); V. C. Metha vs K. M. Dalal; M. A. Sheriff vs. A. J. Bawa, G. L. Khandke vs. "B" Player; G. V. Sampat vs J. Wood; S. Pereira vs. H. A. Durham; D. R. Havewalla vs "F" Player; V. K. Nasta vs. G. L. Ghaswalla; M. P. Sethna vs H. M. Vakeel; C. Herjee (Bye).

LOWER HALF (Third quarter):- T. A. Selvaraj (Bye); "C" Player vs. C. K. Vissanji; "A" Player vs. E. G. Bahooally; N. D. Desai vs. M. G. Sampat; P. G. Date vs. Khanji Liladhar; A. S. Hajiboy vs. R. K. Vissanji; H. D. Purmahomed vs S. N. Sanyal; Mansoor Laljee vs G. P. Mansingh; G. K. Wagle vs R. R. Jhaveri; Percy Edwards (Bye); (Fourth Quarter): K. P. Pavree (Bye); A. S. Fezi vs. G. J. Vigers (Bye) H. A. Sheriff vs C. H. Adohikari (Bye); H. C. Jairajbhoy vs 'D' Player (Bye); R. Merchant vs K. K. Nasta (Bye); Mansur Tyebyee (Bye):

The draw for the Snooker is as follows:-

TOP HALF:- T. A. Selvaraj (Bye); Rafeek Dina vs. 'C' Player (Bye); 'A" Player vs R. S. Hollusion (Bye); K. P. Povree vs P. G. Date (Bye); S. N. Sanyal vs. "D" Player; T. Brewer vs. Mansoor Laljee; Percy Edwards (Bye).

BOTTOM HALF:- C. Hirjee (Bye); 'B' Player vs I. M. Wilson; C. V. Sampat vs. R. K. Vissanji; P. O. Billimoria vs. 'E' Player (Bye); Mansur Tyebjee vs P. B. Commissariat (Bye); Dara H. F. Mehta vs. S. A. Meeklac (Bye) Wilson Jones: (Bye).

Times Shield Junior Cricket Final

MAGNIFICENT VICTORY OF I.C.I. OVER STANDARD VACUUM

Bowling Honours For Dalvi And Carvalho

BOMBAY, Tuesday.

SCORING an over-whelming victory over Standard Vacuum Sports Club by a very big margin of 274 runs in the final of the 'Times of India' Shield Junior Cricket Tournament. Imperial Chemical Industries Sports Club claimed the honours of becoming the champions this year.

On the fourth and final day of the match played on the Parsi Gymkhana Ground at the Kennedy Sea Face, Imperial Chemical Industries Sports Club dismissed Standard Vacuum Sports Club for a paltry score of 128 runs in the second innings before 12-30 p.m. today.

The success I.C.I. achieved was due to their star batsman J. Raghumal who contributed 67 runs remaining not-out in the first innings and a magnificent 105 runs in the second knock; and also to R. S. Humane who scored a valuable 60 runs in the second innings. I.C.I. are also greatly indebted to their bowlers J. N. Carvalho and R. H. Dalvi who captured 13 wickets in between them out of 20 wickets I.C.I. claimed of the Standard Vacuum Sports Club in both the innings.

For the losers M. R. Mistry and P. N. Temkar bowled very well and they had the satisfaction of claiming 16 I.C.I. wickets in between them. G. B. Bhatt was the only batsman who could play I.C.I. bowling well and his contribution was 31 and 32 valuable runs in the first and second innings respectively.

The following figures of the match are worth mentioning.

Bowling

	O	M	R	W
J. N. Carvalho	5	4	2	5
	15	4	32	3
Match Figures	20	8	34	8
	O	M	R	W
R. H. Dalvi	5	3	10	1
	22	12	19	4
Match Figures	27	15	29	5
	O	M	R	W
M. R. Mistry	36	14	48	4
	29	11	41	3
Match Figures	65	25	89	7
	O	M	R	W
P. N. Temkar	19.2	2	76	4
	29.0	8	91	5
Match Figures	48.2	10	167	9

I.C.I. should also thank their skipper Sakroo who led his side to victory by handling his team in a very nice manner. This is the first time I.C.I. wins the 'Times of India' Shield.

SCORE BOARD

SCORE BOARD

Imperial Chemical Industries

S. C. (First Innings) 204

Standard Vacuum S.C.

(First Innings) 108

Imperial Chemical Industries

S. C. (Second Innings) 306

Standard Vacuum S. C.

(Second Innings)

K. S. Rangraj l.b.w. R. H. Dalvi 20, K. G. Shivji lbw R H Dalvi 18, P N. Temkar b R. H. Dalvi 0, G. B. Bhatt A. D. Dadarkar b P. F. Pavri 32, D. A Vaz b R H. Dalvi 10, R. Pereira b P. F. Pavri 17, M. R. Mistry b J. N. Carvalho 4, A. K. Mistry b J. N. Carvalho 7, K. S. Tambday not-out 10, R. V. Vachhani b J. N. Carvalho 2, M. B. Mehta b N. S. Sakroo 4. Extras 4. TOTAL 122.

Bowling Analysis.

N. S. Sakroo 11.4-3-36-1; T. J. Dariaworthy 9-2-21-0; R. S. Humane 4-2-3-0; R. H. Dalvi 22-12-19-4; J. N. Carvalho 15-4-32-3; P. F. Pavri 12-4-13-2.

CHARITY CRICKET MATCH

Season Tickets Easily Available

Season tickets for the Cricket Match to be played between the Governor's XI and the Commonwealth XI on March 10, 11 and 12, are now being sold at the following places:—

B.P.C.C. Office, Congress House, Vithalbhai Patel Road; B.P.C.C. Office (North Branch), Laxmi Bhuvan, 1st floor, Corner of Lady Jamshedji Road and Ranade Road, Dadar; Gold-filled Leather Works Princess Street, Gold-filled Leather Works, Peerbhoy Mansion, Prarthana Samaj, Sandhurst Road; Share Bazar, C/o Messrs. Nemidas & Co., Manmohandas, Hamam Street, Share Bazar, Bombay.

Holkar Well Placed To Win East Zone Final

119 RUNS REQUIRED WITH SEVEN WICKETS STANDING

INDORE, Feb. 28, (PTI): Holkar need 119 runs to win the Ranji Trophy East Zone Final with their seven second innings wickets standing, having got Bihar out for 259 in their second knock here today the third day of the match.

Sudhir Das once again came to the rescue of Bihar by contributing 74 runs. He together with his skipper S. Bannerji, who, made 59, took the side's total from 44 runs for 2 wickets to 153 when Bannerji was not.

Sarwate and Gaekwad each captured five wickets. Sarwate conceded 67 runs in 22.1 overs four of which were maiden; while Gaekwad gave 102 runs in 40 over 17 of which were maiden.

Holkar, wanting 219 runs for victory, began their second knock with Kunzru and Sarwate but they were back in the pavilion with 44 runs on the board. Jagdale's was the third wicket Bihar claimed when the total was 59. But Mushtaq Ali and C. S. Nayudu faced Bihar attack successfully till stumps were drawn to place the side within sight of victory with team's score at 100 runs.

SCORE BOARD

BIHAR (1st Innings)	226
HOLKAR (1st Innings)	262
BIHAR (Second Innings):—	
Bikash Bose lbw Gaekwad	0
S. Das lbw Gaekwad	74
Sujit Dey b Gaekwad	16
S. Bannerje c Mushtaq Ali, b Gaekwad	59
Rajendranath c Jagdale b Gaekwad	0
Nakhuda c Jagdale b Sarwate	40
Bimal Bose c Jagdish Chandra Singh b Sarwate	8
S. Patel c Jagdish Chandra Singh b Sarwate	20
A Das not out	7
R. Sanyal lbw Sarwate	6
B. Bhattachari lbw Sarwate	9
Extras	15
Total	254

FALL OF WICKETS:— 1/0, 2/44, 3/153, 4/154, 5/185, 6/198, 7/225, 8/232, 9/241.

BOWLING ANALYSIS

Gaekwad	40	17	102	5
Sarwate	22.1	4	67	5
Saeed R. Khan	1	0	4	0
Jagdale	9	3	22	0
Mushtaq Ali	3	1	6	0
C. S. Nayudu	6	0	18	0
C. K. Nayudu	3	0	17	0
R. P. Singh	3	1	3	0

HOLKAR (Second Innings)

G. Kunzru c Rajendranath b Bannerji	15
C. T. Sarwate c Nakhuda b Bannerji	11
Mushtaq Ali batting	23
Jagdale b Bimal Bose	8
C. S. Nayudu battin	33
Extras	10
Total	100

FALL OF WICKETS: 1/28, 2/44, 3/59.

BOWLING ANALYSIS

S. Bannerji	8	2	21	2
Bimal Bose	13	3	40	1
S. Das	4	0	20	0
Nakhuda	2	0	9	0

DANES OUTCLASS ENGLISHMEN

LEICESTER, Feb. 27, (PTI-Reuter): Denmark beat England by six matches to one in a badminton international here tonight.

The Danes would have made a clean sweep of the match had not one of their players collapsed with a tendon injury in the women's doubles when the pair were well ahead.

CALCUTTA PORT TRUST BUDGET

Small Deficit

CALCUTTA, Feb. 28, (UPI): According to the budget estimates presented yesterday to the Commissioners for the Port of Calcutta by its Chairman Mr. N. M. Ayyar, the total seaborne traffic expected to pass through the port of Calcutta during the year 1950-51 is estimated at 7,165,000 tons and the income which will accure to the Port Commissioners from this will amount to Rs. 6,35,23,768

The total expenditure for the year is estimated at Rs. 6,88,36,805, showing a deficit of Rs. 53,13,037. It will be necessary to withdraw Rs. 53,00,000 from the revenue reserve and fire insurance fund, thus reducing that fund to Rs. 5,32,51,758. The estimated deficit of the years working would have been about Rs. 10,25,000 less if the charges on food grains had not been reduced from January 1, 1950.

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PAID-UP CAPITAL	Rs.	3,14,54,250
RESERVE AND OTHER FUNDS ..	Rs.	3,94,35,659
DEPOSITS AS AT 31-12-1949	Rs.	1,22,14,21,891

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ROIMOND'S PRICE SLASHED AFTER BIRMINGHAM WIN

Callover On Grand National And Lincolnshire

LONDON, Feb. 27 (PTI-Reuter).

ROIMOND, runner-up last year, tonight became the second favourite for this year's Grand National at the Victoria Club callover. His price was slashed from 20 to one to 100 to seven following his impressive win at Birmingham last week.

Yorkshire-trained Freebooter remained nine to one favourite. The price of the Royal Entry, Monaveen, was cut two points and he now shares third place in the market with stable companion Cromwell at 100 to six. Last year's winner, Russian Hero, hardened six points leaving 22 to one as the best offer.

The Duke of Norfolk's Burpham now shares Lincolnshire handicap favouritism with Dramatic, Gordon Richards' mount, at 100 to nine. A feature of the bets was the continued support for Epsom-trained Trans-Atlantic, who was introduced last week at 20 to one. He shortened still further to 100 to six.

Quotations were:—

LINCOLNSHIRE: 100 to 9 Burpham and Dramatic, 100 to 8 Fair Judgment, 100 to 6 Trans-Atlantic and Bobo, 20 to 1 Starpoint. 25 to 1 Philadelphe, Grani, Damnos, Pompous, Goldsborough and Roc Du Diable, 28 to 1 Jamaica Flame, 33 to 1 Laverstoke, Tsaoko, Fancy Fly, and Barnes Park.

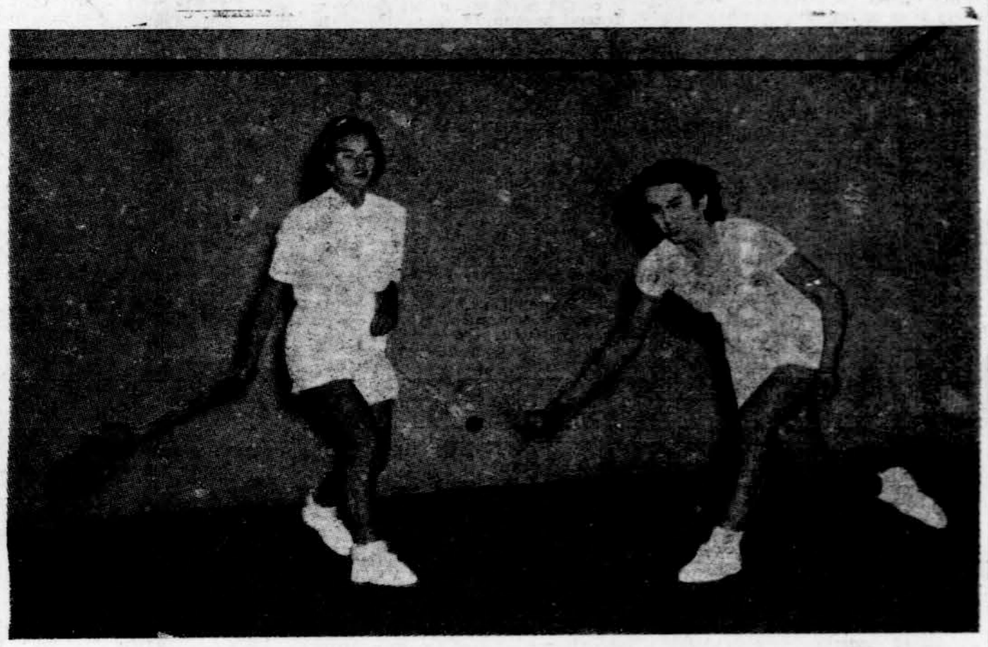
GRAND NATIONALS: 9 to 1 Freebooter, 100 to 7 Roimond, 100 to 6 Cromwell and Monaveen, 22 to 1 Russian Hero, 25 to 1 Acthon Major, Shagreen and Soda, 28 to 1 Gallery, 33 to 1 Fighting Line, Cloncarrig, Royal Mount, Angel Hill, Inverlochy and Castledermott.

RAMAKRISHNA WINS 'BODY BEAUTIFUL'

BOMBAY, Tuesday.

In a "body beautiful" contest held at the Ninth Annual Social Gathering of the Modern Health Home, Matunga, on Sunday, Mr. K. V. Ramakrishna, an 18-year-old student of the Ramnarain Ruia College, was adjudged "Mr. Modern Health Home". Mr. M. R. Panikkar was selected as the next best.

ACTION ON THE FLOOR



Mrs. R. Nagle of New Malden, Surrey, rushes in one the 'bird' with a killing swing as Mrs. B. G. Meagher of Australia (left) stands by, during a match in the women's squash rackets championships which opened recently at the Lansdowne Club, Berkeley Square, London.

The Bombay Chronicle

CRISIS OVERCOME

Introducing the Budget in the Indian Parliament, Dr. John Matthai, Finance Minister, drew attention to the peculiar importance of the transition years from 1947 to 1950 which he said, marked the dividing line between the old and new Indias Dr. Mattahai said that 1947 was the year of partition; and 1950 was the year of the integration of the States. In this sense, it could be argued that budgets in future would afford some comparison to the one now introduced. The revised budget for 1949-50 brought a deficit of Rs. 3.74 crores as against an expected surplus of Rs. 49 lakhs; this was due to an increase in expenditure of some Rs. 12 to Rs. 13 crores which offset the Rs. 9 crores gain in revenue. On the old basis, the calculations for 1950-51 promised a surplus of Rs. 9 crores and more, of which it has been decided to distribute over Rs. 8 crores by reducing certain taxes and easing the burden generally. In his speech the Finance Minister dwelt on the Pakistan situation rather more than seems very proper. If Kashmir demands have sent the defence expenses up by some Rs. 12 crores beyond anticipations, the trade war launched by Pakistan has had an adverse effect that has proved equally disturbing to our economy.

"The stage of crisis is now definitely passed," said Dr. John Matthai, "there are still difficult problems ahead but I am justified in saying that we have now been able to take the measure of these problems; if there are problems in front of us, these problems would not be beyond the ability of the Government to meet and resolve in due course." Little though this amounts to except a feeling of confidence in the Finance Minister himself—a feeling that has never been absent from him anyway—the concrete proposals of the Budget testify to this confidence in a way that India has not seen for some years. Many of the concessions allowed hold promise of bringing back a good part of the surrendered income; it is rather overdoing things to claim that this Budget is another step in relieving the middle class stress, unless the middle is put very high indeed; and the postal concessions too are more calculated to relieve business houses than the private letter or post-card writers since its reduced rates are confined to local deliveries. But with all this, the proposals mark a definite turning of the corner and it might be hoped that business and industry will have a real impetus as a result. Mainly, it is a readjustment of taxation along more equitable lines than a lifting of the burden entirely and for the bulk of the people there will be little gain But it cannot be gainsaid that the taxation is much better planned and that the reliefs given to business are effective methods of easing the strain. Rather than call it a Budget that takes relief to the middle classes further, we would say that the proposals have been based on the scriptural precept. "Muzzle not the ox that treadeth the corn." If there was any justification for the belief that Capital has been outraged into shyness by the policies of the Government, the latest Matthai Budget certainly removes it.

In an economy where the revenue from Income Tax amounts to nearly the revenue from all other taxes and the expenditure on Defence is equal to the rest of the expenditure, there is not much room for variety. Despite the President's confident assurance that Defence expenses would be reduced by the Government of India, even though the Kashmir issue was outstanding, the military expenditure has remained high. This will be received with relief by the general public which is not much attracted by experimental departures from normalcy. The expenditure consequent on the military activities in Kashmir can end only if the necessity for these activities ceases It is no use closing our eyes to this fact, specially, too, when Pakistan provocations are mounting across our borders. It is true that the small amount spent on nation-building activities in contrast to the figure allotted to the army budget is both distressing and bad propaganda for India. But there is no way out of the difficulty and the Government of India has in the circumstances done as much as it could to keep things on. With the relief afforded to business interests, much that had to be done by Government might be expected now to be helped forward by the industrial community. And much else that needs to be done must be left over for the present. But the military expenditure cannot be reduced until peace is firmly established.

Guarding Against Trouble

In a remarkable book on "The People of Great Russia", Geoffrey Gorer whose "Americans" created a sensation last year, does a great service in disentangling what is Communist from what is Russian. There is one particular paragraph relating to the Russian technique of Government which will be read with interest in India, and it might even serve us as a warning. Gorer writes:

> At about the turn of the twentieth century (if not earlier) the Russian authorities extended the employment of a technique for diverting from themselves the free-floating unfocussed hostility of the mass of the population. This technique consisted in pointing out to the masses that there were other groups who were planning to oppress, constrain and destroy them, with the implication (usually tacit) that the removal of the existing authorities would lay the masses open to even greater construction. These malevolent dark forces can be discovered anywhere: they may be any foreign nation, Jews, Trotskyists, fascists, capitalists, and so on endlessly; they may be vague and far away, or they be people very near to one —fellow-students, fellow-workers, managers, generals, high officials. This technique has been very highly developed in the last thirty years: and today one of the chief functions of authority is to "unmask" and point out to the rest of the population who their enemies are .....

This is not peculiar to Russian Governments. In non-communist countries, the "enemy" is communism and the communists. And it must be said on behalf of non-communist Governments that the communists give enough material for this attitude. Gorer again has a word to say on this topic:

> ...attempts to overthrow authority are masked with very elaborate techniques of conspiracy. These techniques are gradually becoming known to the non-Russian world through the imitative practice of contemporary Communist parties. Besides secretiveness and dissimulation, they include the testing of aspirant members by ordeal instead of by investigation, public and convert authorities, and the use of agents provocateurs. These techniques of conspiracy seem to be Russian rather than specifically Communist.

Whether one agrees with this diagnosis or not, the methods of Communists outside Russia have served to bring about official attitudes very similar to that of Russian Governments as described by Gorer. In the Indian context, the occasion provided by the Public Security Measures debates provides telling examples of Indian and Indian Stats Governments being tempted to adopt the techniques of Russian Governments, foreign though they are to this nation. For example, in his brilliant Calcutta speech, Sardar Vallabhbhai Patel drew public attention to the fact that the lawbreakers were Indians too and should be considered as our own people, even if misguided. In asking support for the Preventive Detention Bill, Sardar Patel, however, spoke of the foreign inspirations of the Communists. Others have referred to Communists as "enemies of the people". All these phrases are appeals to public passion and cannot be too strongly condemned. They only serve to confuse issues and to raise barriers of hate. It is because of such extravagance that a suspicion lurks regarding the use of the Communists as a bogy; and it has done more damage to the Government cause than all the opposition denial of the existing emergeency If, as has been amply proved and as we believe, there is a strong case for banning the Communist Party in India, then the measures enacted are inadequate for this purpose and the action of the Government even more inadequate. Possibly, this realization of inadequacy has been responsible for the unusual vehemence of language resorted to. But strong words rarely bridge the gap between action and profession; if anything they widen it. On the whole, the Bombay Government's handling of the subject has been more reasoned than that of the Centre and that it is not due to any weakening is seen by the Home Minister's firm refusal to reduce the period of validity of the Act from three years to one.

Thought For The Day

The man who really takes the burden, blesses the world and goes his own way. He has not a word of condemnation, a word of criticism, not because there was no evil but that he has taken it on his own shoulders, willingly.

VIVEKANANDA.

Tete-a-Tete

WITHOUT COMMENT

Mr. Liaquat Ali said that he had turned down suggestions from Nehru that a fact-finding mission should be appointed as it would become a "fault finding" mission and would aggravate rather than settle the problem. He had also declined a proposal that he should tour the affected areas with Pandit Nehru as experience had shown in 1947 that such a tour would achieve nothing.

* *

Asked in Parliament about the reported concentration of Pakistan's armed forces on the Bihar border, the Prime Minister, Pandit Nehru, said, "We have no such information and we attach no importance whatever to the various odd reports that appear in the public press in this regard."

The difference between India and Pakistan.

* *

DACCA: A new post of a relief commissioner with wide powers for quick relief measures is likely to be created by the Government of East Bengal.

Nonsense. Why should such a post be created? Nothing has happened and there is no need for it, is there?

* *

According to another Dacca report, Dr. P. C. Ghosh, former Chief Minister of West Bengal, arrived there and was closeted with the provincial Premier for over an hour.

We hope Mr. Nurul Amin ably utilised the hour in assuring Dr. Ghosh that no useful purpose would be served by doing, or at least agreeing to, anything.

* *

At the forthcoming meeting of the Arab League, to which Nahas Pasha has invited the Premiers of all member states, the relations between India and Pakistan are also likely to be discussed, according to a Cairo message.

But the Egyptians have already disqualified themselves with that fundamentally unacceptable theory of Egypt's Foreign Minister that the conflict between India and Pakistan in the matter of Kashmir was not a Hindu-Muslim conflict.

* *

Mr. Ghulam Ahmad Fazil former Head Master of the Government School in Pakistan occupied Skardu (Kashmir) reveals that there is acute shortage of cloth, sugar and foodgrains.

Pakistan is too preoccupied with the fundamental task of grabbing unoccupied Kashmir to bother about the needs of the occupied portions.

* *

Commenting on the British Election results, the Tory "Daily Mail" of London says: "Labour is back in office but not in power. Though the Socialists may form a Government, the people have rejected Socialism".

True, they have rejected Socialism by fifteen million to thirteen million votes.

Also true:

They have rejected Toryism by fifteen and three quarters million to twelve and half million votes and they have rejected Liberalism by two million to twenty-five million votes.

Now, what have they accepted?

UN World Survey

ECONOMIC CHANGES IN 1949

"Many of the countries of Asia and the Far East increased their trade during the first half of 1949 by comparison with the first half of 1948", according to a U.N. report. "Major Economic Changes in 1949."

"At the same time", the report states, "there was a substantially larger increase in imports than in exports, so that the balance of trade of most countries turned against them..."

This appraisal of the Asian economic situation is contained in a section of the report entitled "Developments in International Trade Prior to Devaluation."

In this connection, the report continues: "The trade deficit of many countries in Asia with the United States increased appreciably in the first half of 1949 as a result of expanded imports from the United States; in the third quarter, however, import balances of these countries with the United States dropped sharply as a result of a greater fall in imports, from than of exports to, the United States."

The report attributes the approximately 45 per cent increase in the trade deficit of the entire sterling area with the United States in the first half of 1949 over the coresponding period of 1948 to the deterioration of the trade balance with the United States of Ceylon, Hongkong, India, Malaya, and Pakistan.

INDIA AND PAKISTAN

"India's overall trade deficit", the report points out, "was many times larger in the first half of 1949 than in the coresponding period of 1948 and its deficit with the United States increased considerably. The deficit has been financed in part by the release by the United Kingdom of blocked sterling balances. India's import surplus was considerably reduced in the second half of 1949 as additional import restrictions were imposed.

"Pakistan, which in the first half of 1948 had an export surplus, likewise had an import surplus in the first half of 1949 as a result of both greatly expanded imports and some fall in exports.

"Pakistan did not devalue its currency owing ot its relatively strong position with the dollar area. It abolished the 20 per cent export duties on cotton and jute in September 1949 with a view to helping exporters to compete. The price of various Pakistani exports, particularly jute, nevertheless increased in terms of Indian rupees, and India reacted by discontinuing jute imports from Pakistan and placing an embargo on coal exports to that country."

"The severe commercial conflict" between India and Pakistan, the report says, remained unsolved at the beginning of 1950.

JAPANESE EXPORTS

The report describes the significant increase in Japanese exports to other countries in the area as "one of the outstanding developments in Far Eastern trade during 1949".

"The total exports of Japan in the first nine months of 1949", the report states, "were double their value in the same period of the preceding year. Japanese exports expanded rapidly through May of 1949 but have since been declining."

With reference to the Philippines, the report states that its import balance increased as exports fell and imports were maintained; the official reserves of gold and foreign exchange declined and late in 1949 there were signs of capital flight. To remedy the situation, exchange control and severe import restrictions were introduced by the Philippines in December of that year."

In the section on "Levels of Economic Activity and Employment and Subsiding Inflation", the report points out that in India "the value of exports fell in 1949 while imports rose considerably. The resulting increase in import surplus did not, however, cause any significant change in existing inflationary pressures. Part of the increased imports consisted of non-essential consumption goods following upon the relaxation of import controls. Investment goods also accounted for a large proportion of the rise in imports. Moreover there was an increase in home produced investment, specially in public construction, and a rise in government administrative expenditure without a corresponding rise in revenue. Total industrial production in India in 1949 did not increase significantly above 1948. The output investment goods increased to some extent and both coal and steel production were somewhat higher in 1948. On the other hand, textile production declined, from the previous year, though per capita consumption rose slightly owing to the release of supplies from stocks and to the decline in exports.

SMALLER CROPS

"Principal crops were smaller than in 1948. All grain crops, except wheat, declined significantly. Notwithstanding a substantial increase in food imports, per capita consumption declined. The rationing of food grains was extended during 1949, and the proportion of consumption covered by rationing was expanded considerably from the beginning of the year. This was made possible by the increase in Government controlled supplies arising from a larger volume of food imports and by the improvement in the domestic collection of food grains."

"The cost of living and wholesale prices receded in 1949 from the high level which they had reached in 1948 as a result of the temporary measures of decontrol."

Under "Long Term Problems in International Trade", the report has the following to say with respect to "underdeveloped countries":

"Many of the underdeveloped countries whose economies are closely related to those of western Europe and the United States accumulated considerable holdings of foreign exchange during the war. In the post-war period they have used these reserves to finance substantial import surpluses from the United States and from certain countries of western Europe, and many of them have reached or are approaching the limits of these reserves. Many of these countries, moreover, have been affected by the sharp declines in the prices of food and raw materials during 1948 and 1949, which further reduced their ability to maintain imports at current levels.

"The adjustments which underdeveloped countries will find it necessary to make in their foreign trade will depend to some extent on whether they are able to borrow abroad and thereby continue to finance import surpluses. Since the end of the war private international investment has been at a low level and has not thus far shown indications of any substantial expansion in the immediate future. Further, the volume of government loans and credits and development loans from international agencies to the under-developed areas has been limited.

"Important changes have been taking place, as noted earlier, in the structure of the trade of underdeveloped countries. Most plans envisage a more balanced economic development of natural resources in order to raise standards of living, and imply a strengthening of the tendency already apparent in earlier post war years for under-developed countries to retain a larger proportion of domestically produced foodstuffs and raw materials for consumption at home rather than for export At the same time, many of these countries already possess or plan to establish industries processing primary products, so that exports offered in international markets by them may consist to an increasing degree of processed primary commodities. In addition, several countries built up a fairly substantial export trade in the products of newly developed industries, such as textiles, during the war. While the efforts of the underdeveloped countries in these directions are encountering difficulties, these countries may be expected to press for the export of their goods in more highly processed form as they reach more advanced stages of economic development.

EXPORT PROSPECTS

"The tendency of under-developed countries to retain for domestic consumption a growing proportion of their food and raw material does not necessarily mean that the volume of their exports of primary commodities will decline. Several countries, such as Australia and Canada, have been able to raise their standards of living and to advance their industrial development while continuing to make available large quantities of food and raw materials in world markets the United States itself is the world's most important source of internationally traded food and raw materials, as well as of finished manufactures. on the other hand, those under-developed countries which possess large population in relation to presently developed resources would be likely to export food and raw materials only in so far as there was an advantage on balance in a deliberate limitation of internal consumption levels, so as to obtain urgently needed imports.

"In the absence of foreign long-term loans on a very considerable scale exports of primary commodities would for some time be likely to constitute the most important way for underdeveloped countries to earn the foreign exchange which they require for imports of capital equipment and other essential goods. The importance of obtaining imports of capital equipment to the economic development of their natural resources on a more balanced basis may serve as a powerful incentive to under-developed countries to expand production of primary commodities so as to permit the maintenance or even to increase their exports of such commodities and, at the same time, allow for a rise in the level of home consumption. Any measures which would assure stable markets for their exports would serve as a further stimulus in this direction. On the import side, it appears likely that underdeveloped countries will find it increasingly necessary, even under the most favourable circumstances, to conserve their foreign exchange resources by according high priorities to imports of capital goods and other urgently needed supplies and by restricting their imports of less essential consumer goods, particularly those which can be produced domestically.

UNDER-DEVELOPED COUNTRIES

"Industrial development in the under-developed countries thus has important implications with respect to the structure of production for export on the part of their trading partners. A recognition of the essential long-range changes in the distribution of the world's productive facilities involved in the course of economic development is a first step in determining the adjustments required if international trade is to satisfy in greater measure the respective needs of industrialised and under-developed countries."

With regard to the international situation as a whole, the report states that "in the industrially advanced countries the maintenance of full employment has thus far been virtually assured through the high level of demand arising from the requirements of reconstruction and reconversion and the satisfaction of pent-up demand. The problem confronting these countries is to ensure the maintenance of effective demand at full employment levels whenever the automatic operation of market forces no longer suffices to achieve this result.

STANDARDS OF LIVING

On the other hand, "in the underdeveloped countries, reductions in the income derived from their exports of primary commodities served to emphasize once more the sensitivity of their economics to fluctuations in economic activity in industrialized countries and the obstacles which this places in the way of their steady progress in economic development. Since the most pressing need of the underdeveloped countries is to raise their standards of living, the principal problem which they face is how to mobilize their domestic resources and how to supplement them with foreign resources so as to achieve rapid and balanced economic development and at the same time reduce their vulnerability to economic fluctuations in other countries."

The trade and payments setback of 1949, the report says, "demonstrated anew that, given the objectives of the Charter of the United Nations, progress in solving the difficult and long-term structural problems underlying the present unbalance in international transactions can be made only in a context of full employment in industrialized countries and progressive economic expansion in the underdeveloped areas."—UNIC.

FRANKLY SPEAKING

Follow The Lead!

The British weekly "Time and Tide" is anxious to push forward India into recognition of the former French colonies and into following the foot-steps of Great Britain and the United States. It feels that checking of the Soviet march into Asia should have top priority. The journal is on the right track when it points out that Asian nationalism is militant and suspicious and is not prepared to recognise any substitutes for freedom. But it is wrong when it suggests that India may come round to recognition of Bao Dai's regime if France gracefully quits from the five minute colonies, she occupies on the Indian continent. This comes out of the erroneous belief that India would or should toe the Anglo-American line. No bribe is going to tempt India. After all, it is only a matter of time when the French and Portuguese possessions will be wiped out. Pandit Jawaharlal has declared India's determination to keep clear of power politics and not to side with any blocs. The deliberate failure to understand this gives rise to irrating comments in the British and American press. Some newspapers like the "New York Times" have taken upon themselves the job of advising India on her foreign relations. Any country, which does not fall in line with the Anglo-American point of view, is dubbed a renegade and a danger to the world peace. Especially, their comments on the Kashmir dispute have not only misled the world but emboldened Pakistan to step up its illegal demands. We would like the foreign press and politicians to leave India alone and not to instigate her opponents to more troubles.

Into The Open

The New Security Council resolution on Kashmir, which has been sponsored by the United States, Britain, Norway and Cuba has helped to bring them or rather the leaders of the sponsiring group into the open And the speeches in its support, especially the solemn oratory of Sir Alexander Cadogan —it must be noted incidentally, that according to reports, the resolution is the handiwork of the British delegation—have served to confirm Pandit Jawaharlal Nehru's recent plain-speaking about the deliberate sympathies of certain powers and their actual efforts to exert "pressure" on India. Sir Alexander Cadogan in his speech sounded a call for courage on the part of members of the Security Council in order "unflinchingly" to do what "we conceive to be right". This he did, we notice, in the name of the U. N. Charter! And what is the "right" that Sir Alexander Cadogan and his associates have conceived in the name of the Charter? It is to ignore the very fundamental of the issue on which India appealed to the United Nations Security Council and on which alone there could possibly be an appeal to the U. N. in connection with Kashmir. The issue was that of aggression and the first task of the Security Council was, and still is, to pronounce on that issue.

Deliberate Evasion And Perversion

Sir Alexander and his American, Norwegian and Cuban Colleagues have not yet summoned, let us only say, enough "unfliching courage" to pronounce directly on that issue. But in their resolution, which dots the i's and crosses the t's of General McNaughton's "formula" they completely and quite deliberately ignored that issue. More. What they say in the resolution constitutes a positive condonation of aggression to the extent of very coolly and very clearly reducing India to the status of equality with Pakistan. Is this doing what is "right" and is this what the United Nations Charter pledges its U. N. members to do when a victim of aggression appeals to the Security Council against aggression? For, it must be remembered that the question of what should be done subsequently arises only after the main issue has been specifically and effectively dealt with. A "plebiscite", that is to say, is quite desirable but the problem becomes relevant only after the main issue has been disposed of. It springs from that issue and if that issue is not dealt with it is a complete irrelevancy something of which the members cannot even take note of in such a situation. Is it "right" or honest to run away from the main obligation on the excuse of a plebiscite? It is all very well to seek to put pressure on India. But a calculated injustice and perversion of what is "right" in the name of the United Nations Charter is going to have grievous repercussions for the future of the U. N. Organisation.

Letters And Symbols

It is a welcome sign that the first flush of enthusiasm for all-out Hindi is ebbing and both our educationists and politicians are taking a realistic view. In the teeth of opposition, Pandit Jawaharlal Nehru established a point in favour of Arabic numerals (origin Indian). Now the Association of Principles of Technical Institutions have recommended the retention of English letters and symbols used in mathematics and science in all secondary schools in the country. Soon some more educationists will come forward to insist on the retention of English as a major subject in secondary schools for the prosecution of medical, engineering and scientific studies, if India is to keep in line with the world. Relegating English to the ranks of a voluntary subject like drawing or music is not going to hurt that language but is going to hurt us more. The whole country is familiar with the arguments for and against the retention of English. We may have had something against the British but have nothing against their language, which has opened to us modern ideals of democracy and freedom and new advances in medicine, engineering and other sciences. It will take years to coin and bring into currency words and phrases to translate these ideas into Hindi. Why not retain English as a major subject equal in rank to Hindi, till the latter is able to take over all the responsibility? Even then English must remain as an important second language for many professions, business and the sciences.

OUR READERS' VIEWS

Hockey Umpires

In the issue of Friday the 24th and the caption BHUA DENIES RUMOURS has, presumably been rather that the suspended body denies FACTS as I feel confident that the published statements are not only misleading but also—to say the least—UNTRUE.

It must be borne in mind that the enlightened and sports-conscious public of Bombay is not blind nor is it so gullible In the keen search for truth a large section of spectators and players on the Cooperage on Friday night were seen approaching news vendors of the morning's issue of the Chronicle and the "National Standard. The fatuous comments of C S A. Swami and the impartial disclosure of K K Umar on the one hand and the parallel and conflicting views of your paper on the other attracted much public interest adjacent to a statement published in your paper issued by A J Franco, there appeared your report containing the much discussed umpiring of Zello D Silva in the St Xaviers vs Greys' "D" in the Khedar Cup match. One report announced the Referees of the match as Messrs Z D Silva with P A F Fernandes while the other denied the bare fact that BHUA Umpires have actually gone over to officiate at Matches under the appointment by the Official parent body the BPHA Curiously enough the hundreds of hockey enthusiasts on the Cooperage could not have been deceived by their own eyes in identifying the Umpires. Admittedly, rumours are in circulation with a fury second to none But rumours can be true and yet rumours can be false Among the latter, outstanding facts have craftily been withheld from the public who claim the right to seek the TRUTH of the ludicrous attitude of the BHUA, a body without any official recognition or status who demand that the parent Hockey Association of Bombay maintain them while they claim independence to the extent of being allowed to dictate terms to the official Body and also to launch a most vile campaign with the only obvious intention to paralyse the activities of Bombay's only recognised organisation with five hundred odd members controlling the destinies of Hockey in Bombay

If, in the sacred name of SPORT, a body of rebels parading about as SPORTSMEN by such rebellious and unconstitutional methods—infatuated with power—aspire to wrest away the sacred trust of a recognised and official Sporting Organisation with such an enviable record of services towards the cause of the only Game at which our representatives kept Bombay's colours flying aloft, if its members could only find the only answer to the burning question of hundreds of Sportsmen on the Cooperage, "IS THIS WHAT THE HANDFUL OF DELINQUENT AND DISSATISFIED UMPIRES CALL SPORTSMANSHIP", can the parallel columns of your esteemed paper answer this and can you find any room for such rebels in the Realm of SPORT?? And could the existing malaise between bodies that are part and parcel of one and the same Sporting Organisation sacrifice the interests of a Game for personal interests and mistaken notions of prestige?

Veritas et Justitia.

—NOMAN NAZIR.

S.S.C. Examination Board Delay.

The S.S.C. Examination Board which besides controlling the conduct of the SSC Exam., according to its constitution is to set the syllabus in the examination subjects and prescribe the text books But it is painful to note that it has not yet done so though the fresh academic year all over the State of Bombay begin from March 1, and the SSCE classes for 1950-51 will assemble from the date too.

It may be recalled that a similar delay in the announcement of the syllabus and text-books occurred last year also and it was only one month after the commencement of the new academic year in 1949, i.e., on March 31, 1949 that a circular was issued by the Board to the effect that "there should be no change in the syllabus and text-books in the various subjects as the school year had already commenced on the 1st March 1949, and it was desirable that no hardship be caused to pupils who had already been promoted to the top standard"

The Board, one may grant, had some excuse for the delay and belated announcement of its decision regarding the syllabus etc., last year, since it was created only a few months earlier, at the fag-end of 1948 But why should this delay be repeated this year too, one cannot understand The working of the SSC Board is really inscrutable!

—A TEACHER.

Co-operative Conference

Arrangements are being made to convene the biennial session of the of the Bombay Provincial Co-op. Institute in May In the past there has been an overcrowded programme for such a conference and the business was hurried through. I feel that time has come for the conference to concentrate on three or four resolutions only of province-wide importance and resolutions of lesser importance should be left for consideration and decision by District or Divisional Conferences. One of such questions of Provincial importance is the question of revising and overhauling the Law of Co-operation as it now obtain in the Bombay Province as contained in the Act the rules and the special or general orders of the Registrar and the Provincial Government in order that live co-operative democracy may be built on it. There are other questions of equally great importance

Co-operators should be invited in time to suggest such questions. The Executive Committee of the Provincial Co-operative Institute should then consider them and select three or four questions out of them for discussion before the Conference with due regard to the priority they deserve competent persons should thereafter be requested to write notes on them

— C. M. GANDHI.

Fighting Inflation With Increased Production

FINANCE MINISTER'S GENERAL SURVEY

Warm Tribute To Labour

Presenting the budget today, the Finance Minister said he considered it an honour to present the first budget of Republican India.

There were two matters in regard to the procedure under the new Constitution which he would deal with first. The Constitution laid down "a somewhat elaborate procedure" for the consideration and discussion of the budget. They were not following this year that procedure, largely for the reason that this procedure has implications "which it might take the House and the Government a little time to consider."

The arrangements required for carrying out this procedure would also take a little time.

The Finance Minister said that there was, however, one important thing which the Government proposed to adopt in the coming year itself. As had been already announced by the Speaker at the beginning of the session, he would ask the House to set up an Estimates Committee to scrutinise expenditure of each department of Government and of the Government as a whole.

"Personally I am looking forward to the work of the Estimates Committee when it is set up because it is going to exert in new directions a healthy influence upon public expenditure." Besides the suggestions and criticisms which might be made by the Estimates Committee, it would give "a very useful guidance" to the Government in the matter of regulating expenditure. The knowledge that the expenditure of the Government and of the various departments would be examined in detail by an independent authority set up by the House would act as a deterrent to extravagance in public expenditure.

ITS BUSINESS

The Finance Minister said that as far as he was concerned he would also like the Standing Finance Committee to continue. At the same time, drawing a distinction between the work of the Standing Finance Committee and of the proposed Estimates Committee, the Finance Minister said that the Standing Finance Committee would be concerned "with specific proposals of expenditure made by each department." The business of the Estimates Committee would be "to make a comprehensive examination of expenditure in relation to the resources available to Government."

"The real business of the Estimates Committee," the Finance Minister said, "would, therefore, be to take the policy and objectives of the Government —with which they are not concerned— and suggest how this policy and objectives could be carried out with the least expenditure."

The Finance Minister dealt with the integration of the Indian States and the Federal financial integration, and said that the estimates for the year 1950-51 covered not merely the finances of the old Provinces, but also the Federal expenditure and revenue of the integrated States. (Cheers). The result would be that the estimates for 1950-51 would not be strictly comparable with the figures of 1949-50, nor of the preceding years. This would mean "a break in the continuity of our budgetary statistics."

"The year 1947, which saw the partition, saw a break in the continuity of statistics. The integration of the States in 1950 is going to mark a further break," he said.

This was going to mean a certain amount of laborious work before the budgetary figures for future years could be compared with those of the years that had gone before hand. Looking at it from another point of view, this period 1947-50 would appear to the future historian of India as a "dividing line" between the segment of the history of the India of the past from another segment of the history just opening out. When India marched forward, it would witness the fulfilment of the aspirations of the generations that strove to build the new India of our dreams.

ECONOMIC TRENDS OF LAST YEAR

Unprecedented Trouble

Reviewing the economic trends during the last year, Dr. Matthai said: "It had been a year of great difficulties and great anxiety. It had been a period of almost unprecedented trouble. There were times during the year 1949 when some of us most immediately concerned with the economic activities of the Government had a sense of almost overwhelming crisis, but on a close examination of facts as they stand today, I feel that I am in a position to tell the House that the stage of crisis at any rate is now definitely passed. (Cheers).

"I do not want to hide from the House that there are still difficult problems ahead of us. But I am justified in saying that we have now been able to take the measure of these problems. If there are problems in front of us, these problems would not be beyond the ability of the Government to meet and resolve in due course."

INFLATION

Dealing firstly with the problem of inflation, the Finance Minister said that it was a world problem which had come to India as a legacy principally of the war. Tracing the trend of prices following the last war and this year, the Finance Minister said that the inflation created by 1914 war continued till 1920 and in 1921 there was a marked downward trend. In the case of the Second World War, though it ended in 1945, the inflationary pressure still continued in many countries and in several countries it was actually on the increase. India, therefore, was finding itself entangled in a world situation, the many aspects of which were beyond the control of the country.

OTHER FACTORS

After dealing with the causes of inflation that distinguished between the end of last war and the second war, Dr. Matthai said that the end of first war was followed by a relatively long period of lull, while the end of second war coincided almost immediately with the talk of another war. Rearmament was already on and stock-piling had already started with an increased demand in basic and strategic materials. These international forces affected India too. On top of it, India was faced with difficult problems created by Pakistan.

Examining the trend of prices in 1949, the Finance Minister said that as the result of anti-inflationary measures, the prices began to come down since October 1948 until March 1949 and he thought the movement would continue. His expectations did not materialise. On the other hand, since April 1949, for several months, the trend of prices was upward and it continued till October 1949. The special measures taken to counteract devaluation resulted in the stabilisation of the prices right upto the end of January.

"We have considerable cause for what may be called negative satisfaction," the Finance Minister said, adding, "I frankly confess that we have not got any cause for positive satisfaction. That is the real position. I want the House to observe certain redeeming features in the situation. It is perfectly true that there is no fall in the prices index of foodgrains. There has been a steady fall in prices of essential food since October 1949 right up to now.

"The fall in the general group of foodstuffs might have been greater but for the fact that certain articles included in the food category like sugar behaved in somewhat erratic fashion."

He said that devaluation had not resulted in the rise of general price level, as in the United Kingdom.

The Finance Minister said that there had been an upward movement in regard to the price of industrial raw materials. It was symptomatic of world movement and the controlling of it was, therefore, entirely not in the hands of India.

THE CRUX

"The crux of the problem of inflation," said Dr. Matthai, "is increased production. I do not believe that monetary factor of inflation is as important in the country as others. If we want to find a solution of the problem of inflation, we can do so effectively only by increasing the quantity of goods and services available in the country."

He said that in 1949, there had been a substantial increase in various important industries: steel, cement, coal, heavy chemicals, paper and generation of electricity. In cotton textiles and jute manufacture, that proposition could not be made, the limiting factors in the matter of production in respect of them being supply of raw materials partly as a result of the deadlock in the trade between India and Pakistan.

"In regard to raw cotton," remarked the Finance Minister, "the Government have definitely arranged to the import of ten lakh bales. If the situation needs it, we are also prepared and we are in a position to arrange for importation of further raw cotton. Promising results have been achieved in respect of increasing indigenous production.

"In regard to raw jute, the position is that production of raw jute has shown signs of improvement and the estimated production of jute in 1949, is thirty lakh bales against twenty lakhs in 1948 and we expect as a result of special efforts including double cropping etc., we are expecting that the production would come up to about fifty lakhs bales in 1950. I believe there are sufficient stocks of raw jute to maintain our jute mills in production right up to the end of the current season." (Loud cheers).

As regards food production, the Finance Minister said that the estimated production in 1949 was 43 million tons against 41 million tons in 1948. In 1950 the Government expected to increase it by 2.8 million tons over 1949. With regard to the availablity of foodgrains programme, he said, the procurement had been very satisfactory and in eleven months in 1949 about 4.2 million tons had been procured. The procurement target for 1950 was a million tons over the target for 1949.

"The conclusion we can draw in respect of production," the Finance Minister said, "is that though production still needs a great deal of improvement, there is not the slightest cause for pessimism."

The House cheered the Finance Minister when he paid a tribute to labour. "They have grown in statute and they have gathered strength. They have greater consciousness of their legitimate rights and developed a greater sense of self-respect. They are inspired by a spirit of patriotism and sense of responsibility. We can look forward with confidence to a bright future for Indian industry.

STAGNATION IN MONEY MARKET

Capital Not On Strike

Reviewing the money market, the Finance Minister said that in the first half of 1949, it was one of strict stringency in regard to short term money and of continued stagnation in regard to long-term money.

"It is usual to make the allegation that capital today is on strike," observed the Finance Minister. He said: "I have looked into the matter with some care and I have come to the conclusion that there is no foundation whatever for the allegation. The position of the investment market can be fully explained away by such factors as increased cost, reduced margin of profit and other psychological factors. Such conditions prevailing in any other country would have resulted in the same situation in the investment market."

As a detached student of economics, the Finance Minister came to the conclusion that in spite of everything one heard about them, the relations between labour and capital in this country "are fundamentally sound" (cheers). He said that the predominant sentiment in this country was nationalism. He added: "We are not so far removed from the successful completion of our national struggle for freedom for the country's interests to be submerged in people's minds by sectarian interests. If only Government, Parliament and the press would avoid mishandling and misjudging one section or other, I have not the slightest doubt in my mind that both sectors of production would continue to play this game."

PROFESSIONAL OPERATORS

Dr. Matthai said that it was still too early to predict a permanent recovery in the investment market. The activity of the investment market, particularly of the stock exchange, was still confined very largely to professional operators. "I am not for a moment suggesting that professional operations are necessarily unhealthy", said Dr. Matthai, "but unless the activity of the professional operators is supplemented and corrected by the activity of the genuine investor, the investment market will not be sufficiently broad-based and will not be restored to really healthy conditions.

"A big problem facing us today is what exactly can we do to bring the genuine investor back into the investment market. One of the reasons why the genuine investor is holding aloof is that he has not got the measure of confidence which would justify his putting what little he has into investment.

Speech Three

"There again, India is by no means in a peculiar position. The wider distribution of current national income which occurred during the war in many countries of the world is having this effect, that large numbers of people now are having little margins of savings in their hands. When the amount of saving that you have is small, you want a much larger measure of security than you would if you had a large amount of money to save and invest. Therefore, since a large number of potential investors in this country belong to exactly the same classes as you and me, it is necessary that the spirit of confidence should be fostered by every means in our power."

FOREIGN CAPITAL

On the question of foreign capital, Dr. Matthai said: "Foreign capital is necessary in this country not merely for the purpose of supplementing our own resources but for instilling a spirit of confidence among our own investors. Any considerable assistance in the way of capital from foreign countries must hereafter, be looked for not in the shape of fixed interest bearing loans and bonds but in the shape of equity capital on the basis of joint participation of strict business considerations without any political strings attached to it. I consider that kind of assistance desirable from our point of view and probably feasible from the point of view of the foreign investor.

"The House will appreciate the change that has come over the investment market in foreign countries. The difference between the position today and the position in the Nineteenth Century is this: In the Nineteenth Century, when foreign capital went on from advanced countries to undeveloped countries, they had the security bond of political control. In other words, colonialism provided the necessary sense of security to the foreign investor. Today, since colonialism has disappeared, the only way in which the same sense of security could be imparted is by friendly agreement and, therefore, it is necessary that we should consider providing reasonable conditions of security and fair treatment for those who are willing to take the risk of investing their money in this country."

DIVIDEND LIMITATION ACT

Decision Not To Renew Measure

"The statement the Prime Minister made last year still represents our policy in this matter and I believe the terms and conditions outlined in that statement ought to provide reasonable encouragement for foreign investment."

Dr. Matthai announced amidst cheers Government's decision not to extend the Dividend Limitation Act. The original Bill as it was placed before the House, said Dr. Matthai, placed December 1950 as the expiry limit but the Select Committee advanced it to March 1950. The question now arose whether this Act should be renewed. "When I spoke about the Bill in the House last year, I said that the whole position would be fully examined and unless the situation was such that the continuance of the Act was called for, Government would not extend the Act. We have now decided not to extend the Act."

The reasons for this decision were, firstly the general fall in the level of profits made, the limit fixed in the Act practically being inoperative; secondly, as an anti-inflationary measure the effect of the Act had been negligible; thirdly, it had had a depressing effect on the investment market.

Dr. Matthai said that the figures were "sufficiently encouraging for us to hope that there has been a definite turn for the better as regards our balance of payments. The figures of exports in November and December were practically record figures."

There was, however, no room at all for the self-complacency, he emphasised. "It is much too soon for us to think in this matter of resting on our oars. A balance of external payments which is based upon a drastic reduction of imports and by continued releases of our accumulated balances is an unhealthy kind of balance. A healthy balance is the sort of balance that you attain at the highest possible level of imports as well as exports".

Looking at the present size of India's sterling balances—Rupees 832 crores by the end of January—Dr. Matthai said that if allowance was made for an adequate reserve against India's currency in foreign assets and assuming for the time being that the releases would be more or less at the average rate of the last two years, India's sterling balances were not likely to last more than six or seven years. "Therefore, it is of the very highest importance that we should begin to plan for a balance of payment which would be self-balancing and that can be done only by a stimulation of exports" he said.

Again the crux of the problem was "production, more production and still more production".

PAKISTAN'S ATTITUDE

The deadlock with Pakistan over the exchange issue still continued, said the Finance Minister. India's proposal was that there should be joint discussion between the two countries covering all matters relevant to the economic relations between them. The Pakistan Government were definitely opposed to the question of prices and exchange ratio being brought within the purview of the discussion. "As far as we are concerned", said Dr. Matthai, "we do not think that a conference which is not able to discuss prices and exhange ratio would serve any useful purpose. That is how the matter stands at present."

Pakistan's admission as a member of the International Monetary Bank had been agreed to, although the admission had not become effective yet. "I presume, therefore, that in the near future, the International Monetary Fund will examine the question of the exchange value of the Pakistan currency. I do not want to anticipate the opinions of the International Monetary Fund but I must make all relevant facts perfectly clear.

"If Pakistan has an overall favourable balance, which, on the figures I have seen, I doubt, that favourable balance is due entirely to her favourable balance with India. Secondly, this favourable balance with India is due to a very large extent to the open door policy in trade matters which we have adopted towards Pakistan and the restrictive policy when used to be adopted by Pakistan towards India.

"Thirdly, from such facts as have come to my notice Pakistan recently has been running a deficit both on her sterling and on her dollar accounts. In view of this, it seems to me an anomaly that Pakistan should remain in the sterling area and yet decline to devalue her currency as a means of rectifying her adverse balance like every other member of the sterling area.

"Lastly, whatever rate may be agreed to by the International Monetary Fund for the Pakistan currency, it may not in practice result in a normal restoration of trade between India and Pakistan unless that rate fits in with the facts of the economic situation."

DEFENCE EXPENDITURE

Dr. Matthai recalled that on defence expenditure, his estimates last year were based on the assumption that the "cease-fire" agreement would lead to a peaceful solution of the Kashmir problem. "That anticipation," he said, "did not materialise and we do not think it right or safe in the interests of the country that economies of an undue kind should be carried out."

In view of the present circumstances, Dr. Matthai went on, this year's estimates were also subject to a similar qualification. "These estimates are based on the assumption that no abnormal developments will occur. Our policy, as the Prime Minister has declared more than once, is to contribute in every way we can to the maintenance of peace and to the employment of peaceful methods for the settlement of international disputes. As anybody who knows the Prime Minister will appreciate, that declaration has been made from the highest of motives and with the completest sincerity of purpose (cheers)

"If, however, contrary to our expectations, events so develop that the peace and security of this country are endangered, Government will have no hesitation in raising whatever finances may be required for meeting the situation (loud and prolonged cheers). Government will not hesitate to call upon the people to make whatever sacrifices may be required for safeguarding the vital interests of the country." (More cheers).

Dr. Matthai assured the House that it was his intention to watch the course of public expenditure in the coming year with the closest possible care. "A Finance Minister who does not do it is not worth his salt," he said. "I trust I shall have the fullest confidence of the House and of the Estimates Committee which the House will appoint in this essential, but somewhat thankless job."

In 1949-50, said Dr. Matthai, Government were able to raise from loans only rupees forty crores as against their estimate of eightfive crores. Small savings, from which Government had expected thirtyseven and half crores, yielded only rupees twentysix crores. "But in view of the signs of improvement that are visible all about us, I am estimating rupees seventyfive crores for 1950-51 from market borrowings and rupees twentyeight crores from small savings."

TAX REDUCTIONS ANNOUNCED

A Great Necessity

Announcing tax reductions to the tune of rupees fifteen crores, of which the Centre would bear about rupees eight crores and the States about seven crores, Dr. Matthai said "I have for some time held the view that the present level of taxation in the country is uneconomic in the sense that the economy of the country cannot bear it. I know there is a considerable body of academic economic opinion in the country which holds a different view, but I am perfectly clear in my own mind that the effect of the present level of taxation is not deflationary but positively inflationary because if you take the line that the solution for the problem of inflation is production, then a very high level of taxation which reduces the margin of savings available for investment is really a potentially inflationary force.

REVISION OF TAXATION

"It is a matter of regret to me that I have had to make these adjustments within the existing framework of our tax structure. I should have preferred to make these adjustments on the basis of a more fundamental revision of our tax structure, but I have refrained from doing so because we are still in the middle of a very difficult period of transition. Also, we do not have sufficient data on which we could make a scientific review of the present position.

"It is for that purpose that Government have set up a committee to enquire into the whole question of national income and its distribution. That committee will be able to give us a report by the end of 1950, on the basis of which I hope Government would be able to make more satisfactory proposals regarding our taxation system."

HUMAN DOCUMENT

Apologising for his unconventional extempore speech, Dr. Matthai said: "My excuse is that I have always held that a Government budget in the last analysis is a human document in the sense that it reacts upon the experiences and emotions of multitudes of men and women all over the country and, therefore, it is appropriate that its presentation to the people's representatives in Parliament should be somewhat less impersonal than it has been customary hitherto."

Making an overall review of the economic situation, Dr. Matthai said: "Although the position is still replete with dangers and calls for the utmost care and watchfulness, there is in my opinion no cause whatever for despair. Government have been strongly and widely criticised for the way in which they have handled the economic situation. I do not for a moment complain of this criticism. On the other hand, I welcome it.

"And I welcome it for two reasons Firstly, it has had a very stimulating effect on members of Government. All of us are better for these criticisms (laughter).

"Secondly, it has done a great deal of good to the people who make the criticisms (more laughter). My own observation of democratic Governments is that the great advantage of political democracy is that under it, the Government provides a target for all the criticism in the country. It provides a very essential and useful outlet for the supressed emotions of people which, but for this outlet, might some day burst and break up society."

Dr. Matthai was loudly cheered as he ended his 95 minutes' speech. Dr. Matthai had entered the chamber at five minutes to five. The skylights, which are generally covered with blue curtain, were opened and the rays fell directly on Mrs. Matthai, who was sitting in the Speaker's gallery. Among the visitors were businessmen, diplomats and prominent citizens.

BUDGET THROUGH TEN YEARS

(in crores of rupees)

	Revenue	Expenditure	Surplus or deficit	
1939-40	94.57	94.57	...	
1940-41	107.65	114.18	-6.53	
1941-42	134.57	147.26	-12.69	
1942-43	176.88	289.05	-112.17	
1943-44	252.06	441.84	-189.78	
1944-45	335.57	496.71	161.14	
1945-46	360.67	484.57	123.90	
1947-48 (interim)	172.80	197.39	-24.59	
1947-48 (revised)	178.77	185.29		-6.62
1948-49 (budget)	255.24	257.37	-2.13	

One Half For Defence

NEW DELHI, Feb. 28 (UPI). DEFENCE expenditure will account for about Rs. 168 crores during the next financial year as against Rs. 170 crores in 1949-50 representing nearly fifty per cent of the total budget provisions. This, however, includes an expenditure of about Rs. 8 crores on the Indian States forces to bring them up to the level of the Indian Army.

While announcing this, the Finance Minister told the House amidst prolonged cheers, that "if, however, contrary to our expectations conditions so develop that peace and security of this country are in danger, the Government will have no hesitation in arranging whatever funds may be required for maintenance of peace."

The Government, he further said, would also not hesitate to call upon the people to make whatever sacrifice might be necessary to safeguard the interests of the country.

Stop Press

ROUBLE ON GOLD BASIS

LONDON, Feb. 28 (P.T.I.-Reuter): Moscow Radio announced that the rouble would be placed on gold basis. It will be valued at 5.3 roubles to the United States dollar.

32 MEN FROM BRITISH TANKER SWEPT TO DEATH

REYKJACK, Feb. 28 (P.T.I.-Reuter): Thirty-two men from the 7,404-ton British tanker 'Clam' were believed to have been swept to their death when the lifeboats capsized off western Iceland today. A number of Chinese were stated to be among them.

CALCUTTA—KHULNA NIGHT TRAINS STOPPED

CALCUTTA, Feb. 28 (P.T.I.): Running of all passenger trains at night between Calcutta and Khulna have been stopped by the E. I. R. authorities with effect from tonight. It is learnt that earlier in the day information had reached the railway authorities at Sealdah that the East Bengal Railway authorities had stopped the running of the night trains from Khulna to Calcutta with effect from today.

GOLD COAST STRIKE LEADERS JAILED

ACCRA (Gold Coast), Feb. 28 (PTI-Reuter).—An Accra Magistrate's Court has sentenced eight people who took part in last month's "positive action" strikes here to four months' hard labour each, for inciting to take part in an illegal strike. The "positive action" movement was led by Dr. Kwame Nkruma, head of the Nationalist Convention Peoples Party, who was earlier sentenced to one year's gaol for his part in the strikes designed to secure dominion status for the Gold Coast.

CHINESE REDS GETTING READY FOR INVASION OF FORMOSA

HONG KONG, Feb 28 (PTI-Reuter): The Chinese Communist army is now carrying out intensive preparations for the invasion of Nationalist-held Formosa, according to General Chu-Teh, Communist Commander-in-Chief, quoted by Peking Radio tonight.

WESTERLING TO BE DEPORTED

Singapore Order

SINGAPORE, Feb 28 (PTI-Reuter). Authorities here today issued a deportation order against Captain "Turco" Westerling, chief of the rebel army of the "Heavenly Host" in Indonesia.

They also issued an order for detention pending deportation, it was officially announced

Westerling was arrested in Singapore early on Sunday, and charged with entering the colony without proper papers

The revolt which Westerling recently led against the newly constituted Indonesian Republic resulted in the rebel capture of the city of Bandung, West Java. He was believed to have left Java for Singapore last Wednesday

His wife said he had gone to the colony to get money and arms, and would return to Indonesia.

After his arrival in Singapore, the Indonesian Government asked Britain for his extradition to face trial in Indonesia

Westerling was surprised at the house of a Chinese in the centre of Singapore, and did not resist arrest. He was carrying a false passport

FIRE IN CHARCOAL WAGONS

Train Service Held Up

AHMEDABAD, Feb 28 (PTI) Two wagons of a running goods train containing charcoal caught fire last evening between Sarupganj and Kivarli stations of the meter gauge section of the B. B and C I Railway, states a message received from District Traffic Superintendent, Abu Road. The train was stopped and the wagons were detached

A Relief train was sent from Abu Road Through communication was restored this morning after nearly 20 hours of interruption The cause of the fire is not known

HYDERABAD COTTON QUOTA INCREASED

SECUNDERABAD Feb 28 (UPI): The cotton quota of the textile mills in Hyderabad state has been increased by 7,000 bales, as a result of the representations made to Mr T P Barat, Textile Commissioner, Government of India, by the millowners it was learned today

Hyderabad's quota has originally been fixed at 57,500 bales

SCHEDULED CASTES CONVENTION DEMAND

JULLUNDUR, Feb 28 (PTI)—A resolution demanding the Government that the Hindu and Sikh scheduled castes be declared agricultural tribes" was passed at a convention of scheduled castes, held here last night. Sardar Gopal Singh Khalsa, a former MLA, presided

Master Gurmukh Singh MLA and Ch. Sunder Singh MLA, told the convention that if this demand was not accepted by the Government they would resign from the Punjab Assembly

PARIS, Feb 28 (P T I-Reuter): Mr. Roger-Francois Peyre, one of the central figures in the case of alleged corruption in Indo-China known as the "affair of the generals', was today suspended from the French Legion of Honour. A decree, published in the French official journal, said the suspension of M Peyre from the Legion, would continue until has case was settled.

THE SILENT CHARITIES OF SARAT BOSE

Bengal Mourns A Benefactor

(From Our Correspondent)

CALCUTTA, (By Mail).

THE most melancholy event of the week has been the sudden death of Mr. Sarat Chandra Bose, the great Calcutta barrister who played a prominent part in the political sphere. He did very well not only at the bar but made himself prominent by his fearless criticism of men and things.

Above all, he was a man of wonderful charities and was responsible for the education of many a poor young Bengali student and he did this so quietly that he did not let his left hand know what his right was doing. In fact since the days of the late Mr. C. R. Das, Bengal has not had a man of such charitable disposition.

His parting message to Bengal was a suggestion that people of both the Bengals should see that East Bengal remained a separate entity affiliated to the Indian Union. This he considered to be the only solution of the communal disturbances that had disgraced both the provinces. It appears that there is a good deal in what he said for the two Bengals though artificially divided, constitute one province and it is difficult to govern the two provinces in the manner in which they are being governed at present.

Both the people and press of Calcutta have behaved themselves with wonderful restraint if one takes into account the many wild stories about happenings in both the Bengals

The University of Calcutta, however, has tried to add to the panic of the people by postponing the University examination which were to have begun on February 20

COMMERCE CHAMBER

Mr. A. J. Elkins, President of the Bengal Chamber of Commerce, who has just retired, has had a strenuous time and there have been exciting developments largely as the result of the obstinacy of the Pakistan Government in the matter of not devaluing its rupee Mr Elkins, however, has not been able to do much to help the Chamber and he is leaving behind his mantle to Mr. Cameron who as a shrewd Scotchman should be able to make his influence felt in a more effective maner.

SIR JOHN SARGENT

Mr Littler, the Regional Representative of the British Council, Calcutta did very well in organising the inauguration of the Calcutta centre by Sir John Sargent, an old friend of India. Sir John as Educational Adviser of the British Government of India had evoked considerable interest among Educationists by his scheme and authorities of the British Council at home were right in securing the services of such a man.

Besides, the British Council itself is a noble institution Mr. Littler addressing a meeting of the Rotary Club in Calcutta had made a beginning, but at the last inaugural meeting the details were made known by Sir John himself, who in a humorous speech, explained the functions of the British Council The British Council, as Sir John said, wanted to do its work by cultivating human relations between U.K and different countries of the world and intended to play a part almost similar to that of UNESCO which however was an international organisation The enthusiasm exhibited by a cultured group of audience that attended the function clearly indicated that Calcutta would take proper advantage of this institution.

BUDGET IS A BATTLE AGAINST INFLATION

MAIN PROBLEM OF COUNTRY

Keeping Inflationary Forces In Check

The main problem in this country in the post-war years has been that of keeping inflationary trends under control. As a result of the war, while the purchasing power in the hands of the community increased considerably, the available supply of commodities in the post-war period has not been sufficient to meet the growing demands for them. The position has been further aggravated by the shortage of foodstuffs, clothing and other essential commodities. It was also made more difficult by the influx of population from Pakistan, as a result of disturbances following the partition, and the dislocation of the economic life of the Provinces which had been divided in the partition of the country

RISE IN PRICES

As a result of all these developments there was a steady rise in prices throughout 1947 and the earlier months of 1948. Towards the end of 1948 it became clear that immediate action should be taken to prevent, as far as possible, the further flow of purchasing power in the hands of the community and measures concerted to stimulate production and instil a spirit of confidence in industry. With this end in view, in the field of taxation, additional duties on certain articles of luxury such as liquor, tobacco, motor cars, silk and art silk fabrics were imposed and an excise duty on fine cloth was levied. Power was taken to make provisional assessments of income-tax on the basis of returns submitted by assessees and a system of interest bearing deposits for income-tax, introduced in the war years, was revived. The refund of deposits of Excess Profits Tax, except for approved purposes, was postponed for a further period of three years. A temporary limit was also placed on the amounts that may be distributed as dividends by public companies. Import duties on machinery and certain industrial raw materials were reduced and the import duty on cotton yarn was abolished. New industrial undertakings commencing production in the next three years were given exemption from income-tax for the first five years upto a limit of 6 per cent. of their capital. The rules regulating depreciation allowances were also liberalised.

Public expenditure, particularly capital expenditure, was substantially reduced while the State Governments were warned that they would have to rely on their own resources for implementing their schemes of social reform without assistance from the Centre. These measures had, on the whole, a steadying effect on the situation.

THE RISE AND FALL IN PRICES

Trends Analysed

The economic conditions in India, as reflected in the price trends, fall into three distinct phases during the calendar year 1949. In the first three months, the measures adopted by Government proved most effective and the Economic Adviser's index number of wholesale prices which stood at 383.6 at the end of December 1948, fell rather sharply to 370.2 in March 1949.

From April 1949, however, a reverse trend set in, and in the next six months there was a continued rise. This upward phase coincided with the grant by Government of increases in the prices of certain controlled commodities like cloth and steel as well as with the reimposition of stringent measures of control over imports. The general index number moved up from 370.2 in March 1949 to 393.3 in October, a rise of about 6 per cent in the course of about six months.

The third phase, which is one of improvement since November, was associated with the various measures adopted by the Government after devaluation in pursuance of their eight-point programme of 5th October, 1949. During this period, the general index number declined by about 3 per cent from 393.3 in October to 390.2 in November and again to 381.6 in December, which is slightly lower than the level reached towards the end of 1948.

AN ANALYSIS

This figure is the net result of a number of factors and it will be interesting to analyse the movement of prices in individual commodities and groups of commodities. Taking the indices of food articles, there has been a steady decline in the prices of cereals and pulses, the index number of the former showing a fall of 55 points from 490 points in December 1948 to 435 points in December 1949, while the index number of the latter shows a drop of 72 points from 454 points in December 1948 to 382 points in December 1949. The index number of food articles as a whole has shown a drop of 23 points in this period. The index number of semimanufactured articles has, during last year, remained more or less steady, as also those of manufactured articles, the former showing a small increase of 7 points during the year and the latter a drop of 3 points. Among manufactured articles textiles registered a drop of 17 points. The only sector in which there has been an upward trend in prices is industrial raw materials, the index number of which has shown a rise of 20 points.

POOR RESPONSE To LOANS

Drastic Measures To Meet Situation

The entire policy of Government in the economic field came under detailed review last September when the devaluation of the rupee and the poor response of the market to Government's borrowing operations underlined the need for action to secure that further impetus was not given to the inflationary trends and an eight-point programme for meeting the altered situation was announced early in October. This programme envisaged the formulation of the future pattern of trade to secure economy in the expenditure of foreign exchange with due regard to the essential needs of the country, the employment of the country's bargaining power as a large scale purchaser to get a reduction to reasonable levels of prices of raw materials imported from countries with appreciated currencies, the prevention of speculative price increases by legislative and administrative measures and the regulation of credit facilities, the imposition of customs duties on articles exported to hard currency areas so as to ensure the maximum amount of foreign exchange and the equitable distribution of the advantage resulting from devaluation among the foreign importer, the Indian manufacturer and the public exchequer, the stimulating of investment by an intensified savings drive by propaganda and, failing this, by compulsion and by provision of suitable Governmental assistance for the extension of banking facilities in rural areas, the extension of facilities for voluntary settlement of taxes payable in respect of war profits of assessees whose cases had not been referred to the Investigation Commission, the introduction of economy measures to secure substantial savings in the current year's budget and the budget for the coming year and, lastly, the taking of steps, in consultation with the State Governments, for bringing about an aggregate reduction of 10 per cent. in the retail prices of essential commodities, including manufactured goods and foodgrains.

Among the measures taken under this programme may be mentioned the increase in the export duties on raw cotton and hessian, the former from Rs. 40 per bale to Rs. 100 per bale and the latter from Rs. 80 per ton to Rs. 350 per ton, the levy of export duties on mustard oil and certain categories of iron and steel, the reduction in the price of cotton textiles and yarn by a cut in the ex-mill prices and the margin allowed for distribution, and, more recently, by the reduction in the level of excise duties on cloth, the reduction in the price of pig iron and the selling prices of all categories of iron and steel and the reduction in the price of certain categories of coal and the grant of coal freight concessions to certain industries.

FOOD PRICES

As regards foodgrain prices, Government have decided to effect a reduction ranging from 3 per cent. to 15 per cent. in the issue prices, to be secured partly by a reduction in distribution and other incidental charges and partly by the lowering of procurement prices. The cumulative effect of the measures taken to secure a reduction in the price level will take some time to be realised but they have already contributed towards holding the price level in recent months.

BATTLE FOR MORE PRODUCTION

Satisfactory Results

In the field of production, the results achieved last year give grounds for sober satisfaction. Industrial production has, on the whole, showed a definite upward trend, substantial increases over the previous year being recorded by the steel, cement, coal, aluminium, electrical, bicycle, chemical and paper industries. Steel production rose from 854,000 tons in 1948 to 925,000 tons, cement from 1.5 million tons to about 2 million tons, coal from 29.9 million tons to 31.09 million tons, paper from 97.9 thousand tons to 103.8 thousand tons, power alcohol from 3 1'2 millions gallons to 6 7 million gallons, super-phosphates from 21,000 tons to 43,000 tons and Diesel engines from 1,025 to 2,048. Cotton textiles and jute, however registered a decline, the production of cotton textiles dropping from 4,338 million yards to 3,919 million yards, cotton yarn from 1,445 million lbs. to 1,306 million lbs. and jute manufactures from a little over a million tons to 926, 000 tons. The drop in textile production was due partly to the accumulation of stocks and partly to difficulties in securing adequate supplies of cotton, to meet which Government are taking steps to import the necessary cotton from overseas, while the drop in jute production was due to special difficulties in obtaining the raw material Recent trends in jute production, however, show a welcome increase, in spite of the difficulties in the way of obtaining supplies of raw jute from East Bengal.

MORE FOODGRAINS

The production of foodgrains in 1949 has also shown an increase over the previous year. Food production in 1949 is estimated at about 43 million tons as against 41 million tons in 1948. Procurement has been upto expectation, the figures for the 11 months ending November 1949 being 4.2 million tons against a target of 4.6 million tons for the whole year. The drive for self-sufficiency in food is being vigorously pursued both by the Central and State Governments and production in 1950 is expected to show an increase of 2.8 million tons over that of 1949 while the procurement target for that year has been raised by a further million tons over the target fixed for 1949, with a corresponding decrease in imports from overseas. Imports next year are now placed at 1½ million tons of which approximately 200,000 tons would go to build up a reserve.

Steps are also being taken to raise the production of other agricultural products, notably jute and cotton. The production of jute in 1949 is estimated at 30 lakhs of bales against 20 lakhs of bales in the previous year while the target for next year has been fixed at 50 lakhs of bales, the increase to be achieved partly by double cropping and bringing fallow land under cultivation and partly by extending cultivation. Cotton production, which amounted to 28 lakhs of bales in 1949, is to be raised to 36 lakhs of bales in 1950.

The production of tea, which is one of the country's main export crops, has also shown a welcome increase, reaching, at 587 million pounds, the highest figure in the last six years.

BETTER LABOUR RELATIONS

The increase in production, which has been a reassuring feature in 1949, has been largely assisted by a notable improvement in the labour situation, a striking evidence of which is the fact that for the eleven months ending November last the number of man days lost was only 60 lakhs, compared with 73 lakhs in the corresponding period of 1948. It has also been assisted by the continuous improvement in the transport situation which has made it possible for Government to lift the control on priorities.

CONDITIONS IN MONEY MARKET

Extreme Stringency

Conditions in the money market were of exceptional stringency at the commencement of the year. There was a considerable strain on the banking resources of the country in the early months of the year as a result of the heavy demands for finance to cover the large imports of goods and the substantial collections of income-tax. Bank deposits fell continuously and with the rapid rise in advances during the busy season, banks had to work with low cash ratios. These tight conditions continued longer than usual and in the first week of May 1949, the credit outstandings of scheduled banks reached a peak of Rs. 514 crores. The position began to ease from June 1949 when there were perceptible signs of improvement. The advances and bills discounted of scheduled banks declined continuously by Rs. 97.76 crores over the next eight months. In July the position was further eased by the repayment of the outstanding balance of the 2½% loan 1949-52 and it became possible to resume the sales of Central Government treasury bills, which had been suspended in November 1948, and by the end of September bills for Rs. 36 crores had been sold. Sales were then stopped to be resumed in December when a further sum of Rs. 2.76 crores was realised. Just as the advent of the slack season had been delayed, the impact of the busy season did not make itself felt till much later than usual, owing partly to the difficulties which arose in regard to the trade with Pakistan, and it was only towards the close of December that busy season activity became perceptible. Shortterm funds being no longer available sales of treasury bills were again suspended

TREASURY RECEIPTS SALES

In the first ten months of the current year the sale of Treasury Deposit Receipts has amounted to Rs. 13.02 crores and discharges to Rs. 5.14 crores, the outstanding balance at the end of January 1950 amounting to Rs. 11.76 crores. Thus, the total short term borrowings by the Central Government amounted to Rs. 45 crores as compared with nearly Rs. 48 crores during the corresponding of last year. In addition, Provincial Governments sold treasury bills worth Rs. 13.5 crores from August to November.

The gilt-edged market remained fairly steady during the year but there was no appreciable demand for fresh investment. The position in this respect has slightly improved in recent months and recently a further block of the 2½% Loan 1955, amounting to Rs. 15 crores, was issued to enable the Reserve Bank to meet this demand. Although the 1949-52 Loan was repaid during the year no fresh loans were floated in view of the continuous stringency in the money market. Demands for investment and for the conversion of the maturing loan were, however, met by the issue of fresh blocks of the 2½% loan mentioned above.

The devaluation of the rupee and the brighter prospects it held for indigenous industries gave a fillip to equity prices which, after sagging in the earlier months of the year, had slightly improved from the middle of July. In recent months, prices of a number of leading industrials have shown gains over the mid-July levels. This is reflected in the rise in the index number of yields of industrial securities which rose in December 1949 to 115.9 points from 109.7 points in July 1949. On the whole, both in the equities and the gilt-edged markets, investment enquiry appears to be broadening and there are signs of a return of confidence.

The inadequate response to Government borrowing in the early months of the year, together with the need for countering the threat of rising inflation arising out of the devaluation of the rupee, compelled Government last October to review the entire field of expenditure with reference both to the reduced sources likely to be available and the necessity for curtailing expenditure as a measure of anti-inflation. Instructions were accordingly issued to all the Ministries to effect a reduction in their administrative expenditure. The provision for expenditure on capital and development schemes was reviewed and the provisions for the current year and for the next year was substantially reduced. The revised provision for the current year and the provision in the budget for 1950-51 are explained in a latter part of this Paper In effecting these economies the need for continuing productive schemes and schemes of long term benefit to the country was kept in view While this reduction in capital and development expenditure will delay, to some extent, the implementation of the various development plans this step had to be taken in the larger economic interests of the country as a whole.

BALANCE OF PAYMENTS

Heavy Outward Movement

India's foreign exchange reserve consists mainly of the sterling assets held by the Reserve Bank of India These assets, which stood at Rs. 1,537 crores at the end of June 1948, declined to Rs. 820 crores at the end of June 1949, a drop of Rs. 717 crores. To this figure should be added the sterling equivalent of the dollar purchases made during this period from the International Monetary Fund, amounting approximately to Rs. 79 crores, giving a total external payment of Rs. 736 crores.

This heavy outgo is due to a number of factors. The first is the payment to the United Kingdom Government of Rs. 296 crores, in accordance with the agreement reached with them in July 1948, for the purchase of annuities for financing the payment of sterling pension and for the acquisition of installation and stores left behind by them in India at the end of the war. The second is the payment of about Rs. 187 crores to the State Bank of Pakistan towards her share of the balances following the separation of Pakistan currency from that of India. These two special payments amounted to Rs. 483 crores. The remaining amount represents payments on current transactions, mostly on account of the heavy adverse balance of trade which was caused by increased imports and a small recession in exports particularly during the first six months of 1949.

RISE IN IMPORTS

The main reasons for a rise in imports were the large overseas purchases of foodgrains and the measures taken to liberalise commercial imports. Unfortunate weather conditions during 1948 had led to a partial failure of crops in several parts of the country and caused an abnormal deficit, necessitating increased imports of foodgrains. Of the total imports amounting to Rs. 650 crores during the period July 1949 to June 1949, the import of foodgrains accounted for as much as Rs. 137 crores constituting 21 per cent. of the imports. Commercial imports also showed a large increase. Import restrictions had been relaxed during the latter part of 1948, as an anti-inflationary measure and to meet the shortage of industrial and essential consumer goods The chief items of import on commercial account during July 1948 to June 1949 were Rs. 90 crores of plant and machinery, Rs. 71 crores of raw cotton, Rs. 44 crores of motor spirit, kerosene and other petroleum products and Rs. 34 crores of steel and non-ferrous metals. These imports constituted 39 per cent of the total imports Other industrial goods were also imported in large quantities Among these may be mentioned chemicals, dyes and colours, electrical goods, wood and timber-woollen and art silk yarn etc. Broadly, industrial goods and foodgrains amounted to 80 per cent. of the imports and consumer goods many of them of an essential character like powdered and condensed milk, fruits, spices etc. accounted for the remaining 20 per cent. of imports. What may be termed as luxury imports accounted for less than 2 per cent. of the total imports.

EXPORTS

Exports during January-June 1949 were Rs. 197 crores as against Rs. 215 crores during the corresponding period in 1948. This fall in the export trade was almost entirely due to lower exports of jute and jute manufactures owing to a reduction in orders received from the U.S.A during the period of business recession in that country.

This large adverse balance in payments during the period from July 1948 to June 1949 led to an overdrawal of about £81 million from the sterling balances. The sterling balance agreement of July 1949 regularised this overdrawal and provided for an increase in the annual release for the years 1949-50 and 1950-51 from the original figure of £40 million, as agreed to in July 1948, to £50 million. Further the new agreement provided for a special release of £50 million for 1949-50 to finance the imports that might be made during this year against commitments entered into by trade before the liberal import policy was reversed.

O. G. L. CANCELLED

It was obvious that the country could not afford to have such a large adverse balance in her external payments. Measures reversing the policy of liberal imports were therefore introduced in May 1949 when the Open General Licence for the soft currency areas was cancelled, shipments against commitments made under this license being permitted only till the end of May and thereafter only on a special scrutiny of the individual commitments and with due regard to the essentiality of the commodity concerned. After the conclusion of the sterling balance talks with the U. K. Government in July 1949, further restrictions were imposed on licensing of imports and appropriate ceiling limits were fixed for the licensing of imports of nearly all commodities. In the meantime, in common with similar action taken by all sterling area countries, dollar licensing was totally suspended from the last week of June 1949 to the first week of September, in order to safeguard the position of the Central Reserves of the sterling area against excessive depletion. The export trade began to look up, more especially after the devaluation of the rupee in September 1949. Imports of foodgrains were also restricted.

These factors have been reflected in the variations in the sterling assets during recent months. The balances which stood at Rs. 820 crores at the end of June 1949, declined to Rs. 776 crores during the first week of September, since then they have gradually risen to Rs. 832 crores towards the end of January 1950. Thus there has been a small surplus of Rs. 12 crores during a period of seven months. This accumulation has been caused mainly because of the temporary suspension of dollar licenses and the late issue of import licenses for the July December 1949 licensing period, which could be undertaken only after August 1949, when the foreign exchange limits for the issue of licenses were finalised.

As imports against these licenses and against the licenses that are now being issued for January-June 1950 period start coming in and are paid for, the external payments are likely to increase; but with the limitations placed on imports, it is expected that it will be possible to meet these payments from the exports earnings and the agreed amounts of release from the sterling balances.

CONTINUED VIGILANCE

These changes in the external assets of the country indicate the need for a continued vigilance on the balance of trade. The level of export earnings depends largely on the extent of production and the level of prices of the main exportable commodities and an improvement can be expected, so long as our exports continue to be competitive. In respect of imports, it is necessary to curtail the dependence on foreign sources for the major essential needs of the community, more especially in foodgrains and the main industrial materials. In either case increased production in both agricultural and industrial sectors at reasonable prices provides the solution to a healthy external economy.

DOLLAR POSITION

Purchase From Monetary Fund

The Sterling Balances Agreement of 1948, permitted a convertible release of 60 million dollars from the Central Reserves for a period of twelve months ending with June 1949. The estimated deficit was 160 to 180 million dollars and the balance was expected to be met by the purchase of 100 million dollars from the International Monetary Fund. Owing to a fall in the export earnings, the final deficit was 213 million dollars, and as only 56 million dollars could be purchased from the International Monetary Fund, there was a net overdrawal of 80 million dollars from the Central Reserves, after utilising 17 million dollars from the opening balance. This overdrawal was regularised by the Sterling Balances Agreement of July 1949.

Under this last agreement, India has become a full member of the sterling area with all the rights and obligations of such membership. There is now no quantitative limitation on the drawings from the Central Reserves to meet the dollar deficits. The convertibility arrangements which were arrived at the Commonwealth Finance Ministers' Conference in July 1949, envisaged that, in common with the other sterling area countries, India's imports from the dollar area during the year July 1949-June 1950 will be limited to 75 per cent. of the dollar imports during the calendar year 1948. During the six months, July-December 1949, for which preliminary figures are available, India's dollar receipts have actually exceeded the dollar payments by 13 million dollars. This improvement is, however, purely temporary, accounted for by larger export earnings and a considerable decrease in payments.

Owing to the business recession in America in the second quarter of 1949 and consequent reduction in the volume of orders received from that country, the demand for jute goods had piled up, while stocks accumulated with traders and mills in India. With the revival of business in the United States, larger orders covering both current requirements and the shortfall in previous orders were received, resulting in heavy exports and larger earnings during the half-year July-December 1949 The rate of dollar spending during this period was also low owing to the complete suspension of dollar imports with effect from the 25th June 1949 for a period of about 2½ months, and cessation of purchase of foodgrains from hard currency areas. The present improvement in the position is thus largely due to these purely temporary factors. The future trends will be determined mainly by the level of the demand for India's goods in the dollar areas and the availability at economic prices of adequate supplies of raw jute for the jute mills to meet this demand Meantime, the convertibility arrangements under the sterling balances agreement and the stoppage of foodgrain purchases in dollar areas have made it possible to permit reasonable imports from dollar areas of commodities which are not available from soft currency countries and which are essential for the minimum needs of the country's economy and for industrial and agricultural production.

LOANS FROM I. M. F.

India has been able to obtain two loans so far from the International Bank for Reconstruction and Development, one of 34 million dollars for the purchase of locomotives for railways for rehabilitating the transport system and another of 10 million dollars for the purchase of agricultural machinery to bring weed-infested land under food cultivation. A third loan of about 20 million dollars for the Bokaro Thermal Plant of the Damodar Valley Project is at present in the final stages of negotiation. The imports from the dollar area financed from these loans will be in addition to the imports at 75 per cent. of the 1948 level.

DEVALUATION OF THE RUPEE

Results Encouraging

The circumstances in which the Government of India decided to devalue the rupee in terms of gold are well known. When last September the U. K. decided to devalue the pound sterling in terms of gold and other members of the sterling area and certain other countries followed suit, it became necessary for India to take parallel action, as a protective measure against a diminution of her export trade by the pressure of competing exports from countries that had devalued their currencies. Though it is too early yet to assess precisely the ultimate effect of devaluation on export earnings generally, the results so far have been encouraging, as the following figures will show.

	Value of Exports (in crores of Rs.)
Quarterly average for 1948	107 08
1949	
First quarter	103 13
Second quarter	94 16
Third quarter	100 66
Fourth quarter	139 97

During the months of November and December 1949, exports have touched a record level of Rs. 50 crores per month, raising the level of exports to Rs 241 crores during the half-year July-December 1949, against Rs. 216 crores during January-June 1948, Rs 213 crores during July-December 1948 and Rs. 197 crores for the first half of 1949 Noticeable increases have taken place in the exports of tea, spices, cashewnuts, unmanufactured tobacco, cotton and jute textiles Exports of cotton textiles in particular were more than doubled

The devaluation of the rupee has obviously made many of our commodities competitive in price in the export market and has led to increased orders from overseas. While these increases in exports are partly due to temporary factors, which have already been mentioned, there is reason to hope that the increase in demand for many of these export commodities may be more than a passing phase.

PAKISTAN'S CURRENCY

Pakistan, although a member of the Sterling Area decided not to devalue her currency along with the other countries of the Sterling Area with the result that her currency appreciated both in terms of the Indian rupee and the pound sterling although details of her balance of trade and payments show that Pakistan also had a large adverse balance of trade particularly with countries other than India

Statistics of trade published by the Pakistan Government show that for the twelve months ending June 1949, Pakistan's exports to countries other than India were Rs. 60 crores and imports from these countries were Rs. 88 crores showing an adverse balance of trade of Rs. 28 crores. Private trade with dollar and hard currency countries of the Western hemisphere, Belgium, Switzerland, Germany and Japan gave a favourable balance of Rs. 5 crores, the deficit in soft currency trade being Rs. 33 crores.

BIG DEFICIT

These figures, however do not include imports on Government account

(Continued on page 9)

Exports Stimulated By Devaluation

PAKISTAN'S HOPES BELIED

NEW Delhi, February 28.

THE Finance Minister Dr. John Matthai has issued a detailed white paper giving an account of the developments against the background of which the budget has been prepared and the salient features of the budget.

The summary of the White Paper says:

The problem before the country is still that of keeping inflationary trends under control. The measures taken to counter inflation have had a steadying effect.

Devaluation has on the whole stimulated exports and the balance of payments position has shown some improvement.

Trade with Pakistan is virtually at a standstill. Indications are that the appreciation of Pakistan currency has not benefitted her balance of payments position. India is taking steps to make the country self-contained for jute and cotton.

Increase in industrial production in 1949 has been a reassuring feature. Among major industries textiles and jute has shown a drop due to special difficulties.

At the existing level of taxation revenue next year is estimated at Rs. 347.5 crores and expenditure at Rs. 337.88 crores leaving a surplus of Rs. 9.62 crores. The current year's small surplus of Rs. 49 lakhs will be converted into a deficit of Rs. 3.74 crores.

Defence services are expected to cost Rs. 170.06 crores this year and Rs. 168.01 crores next year. Capital outlay on defence will, in addition, amount to Rs. 12 crores this year and Rs. 8.15 crores next year.

Expenditure on food subsidies is estimated at Rs. 29.67 crores this year and Rs. 21 crores next year.

The effect of federal financial integration on the finances of the Centre is estimated at a net expenditure of Rs. 9-1/2 crores.

Borrowings from the market next year are expected to amount to Rs. 75 crores.

Rosy Picture Of Country's Finances

PRODUCTION MOVES UP

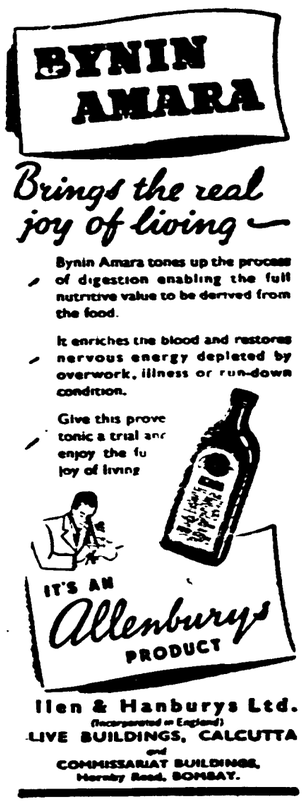
INDUSTRIAL production showed a definite upward trend. Last year the production of steel rose from 854,000 tons to 925,000 tons, cement from 1½ million tons to 2 million tons, coal from 29.9 million tons to 31.09 million tons, paper from 97.9 thousand tons to 103.8 thousand tons, power alcohol from 3½ million gallons to 6.7 million gallons, super-phosphates from 21,000 tons to 43,000 tons, and Diesel engines from 1,025 to 2,048. Cotton textiles and jute however registered a drop. the former due to accumulation of stocks and difficulties in getting cotton and the latter due to difficulties in getting raw jute.

Plans were on hand for stepping up jute and cotton production. The target next year for the former had been fixed at 50 lakhs of bales against this year's production of 30 lakhs and for the latter at 36 lakhs of bales compared with 28 lakhs of bales grown this year.

ABOUT FOOD

THE production of food grains was also higher showing an increase of 2 million tons over the production of 41 million tons in 1948. The drive for self-sufficiency in food was being vigorously pursued and production in 1950 was expected to be up by a further 2.8 million tons.

Next year's procurement target will be 1 million tons more than this year while imports will be reduced to 1¾ million tons. of which 200,000 tons will go to build a reserve.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White Paper Gives Background To The Budget

(Continued from page 8)

as the Government of Pakistan do not record such imports in their published statistics. Their statistics do not also include exports of Pakistan goods in the transit trade through Calcutta. It is understood that imports on Government account during this period were as much as Rs. 50 crores. Exports in transit through Calcutta amounted to Rs. 16 crores. Thus, the total deficit with countries other than India was of the order of Rs. 63 crores, imports being Rs. 139 crores and exports Rs. 76 crores. The overall deficit is equivalent to roughly 45 per cent of the import trade and 81 per cent of the export trade. It is nearly 30 per cent of the total trade. Private trade with hard currency areas showed a favourable balance of Rs. 5 crores; but Pakistan is believed to have purchased military and other stores on Government account from Belgium and Canada. Accurate statistics of these purchases are not available but it would not be unreasonable to conclude that even in the trade with the hard currency countries, if imports on Government account are included, Pakistan does not have a favourable balance of trade. Taking the dollar area alone, as distinct from the hard currency areas, Pakistan's dollar deficit during the period was of the order of 50 million dollars

A COMPARISON

These figures may be compared with the balance of payments as assessed from the changes in the sterling assets of the State Bank of Pakistan during this period. The total sterling assets received by the State Bank of Pakistan, during the period between 1st July 1948 and 30th June 1949, from the Reserve Bank of India as part of their share of the assets were Rs. 200 crores. Their balance of these assets on the 1st July 1949 was Rs. 150 crores, showing a net fall of Rs 50 crores. Pakistan received Rs. 11 crores in sterling on account of current transfers from India during this period. Thus Pakistan's loss of sterling to countries other than India amounted to Rs. 61 crores.

A comparison with India's balance of trade with countries other than Pakistan would be interesting. According to payments statistics of the Reserve Bank of India for July 1948 to June 1949, India's payments to countries other than Pakistan on account of imports were Rs. 621 crores and her receipts on account of exports Rs. 378 crores, giving a net deficit balance of Rs. 243 crores, equivalent to 39 per cent of the value of imports, 64 per cent. of the value of exports and 22 per cent. of the total trade.

As stated above, corresponding figures in respect of Pakistan's trade with countries other than India are 45 per cent., 81 per cent. and 30 per cent. respectively. Exclusive of the trade between the two countries, Pakistan's balance of trade problem was thus no less serious than that of India.

INDO-PAKISTAN TRADE

Where Karachi Went Wrong

Accurate statistics are not available in respect of trade between India and Pakistan but certain estimates prepared show that during the 12 months from July 1948 to June 1949, imports from Pakistan into India were Rs. 117 crores and exports to Pakistan from India were Rs. 83 crores, giving a balance of Rs. 34 crores in favour of Pakistan. A part of this deficit was financed by a flow of capital from India and the remaining Rs. 11 crores by transfer of sterling to the State Bank of Pakistan under the Payments Agreement.

Of the total Indian imports from Pakistan of Rs. 117 crores, as much as Rs. 97 crores were imports of raw jute and cotton. These large purchases of raw materials have therefore contributed to Pakistan's favourable balance of trade with India. There were also other factors. While India had an open general licence for all Pakistan goods, Pakistan had been restricting imports of Indian goods. Pakistan's imports of cotton textiles from India amounted to no more than Rs. 18 crores in this period. Before the partition, the areas now in Pakistan used to take as much as 900 million yards of cloth from the Indian mills. The restricted import policy of Pakistan reduced this trade to nearly 25 per cent. Besides, the imposition of export duties on cotton and jute and of import duties on Indian textiles and other Indian commodities also affected the balance of trade by pushing up the value of cotton and jute supplies to India and by reducing imports of textiles from India. Further, a number of claims made on the Pakistan Government for payment such as those for defence stores supplied to Pakistan were still outstanding at the end of this period. If these claims had been met, Pakistan's favourable balance of payments with India would have been correspondingly reduced.

The figures mentioned above would show that even with her favourable balance of trade with India, Pakistan had an adverse balance in her total trade.

Deficit with other countries .... Rs. 63 crores.
Surplus with India ..... Rs. 34 crores

Net deficit .... Rs. 29 crores made up of—
Total imports—Rs. 139 plus 83 crores equal Rs. 222 crores.
Total exports—Rs. 76 plus 117 crores equal Rs. 193 crores.

EXPECTATIONS NOT REALISED

It is possible that in not devaluing her currency, Pakistan reckoned on a continuation of and an increase in this favourable balance of trade with India. Pakistan may have thought that by appreciating her currency in relation to the Indian rupee, her balance of trade would be yet more favourable. Indian goods could be bought cheaper than before whereas India could not afford to do without Pakistan's raw materials in spite of the increase in their prices caused by the change in the value of the currency

It is significant that soon after devaluation, Pakistan totally banned the import of Indian textiles and raised the import duties on these and many other commodities.

If Pakistan hoped to increase her favourable balance of trade with India by appreciating her currency there are indications that this expectation is not likely to be realised. The high prices of her raw materials have resulted in Indian mills refraining from buying these materials from Pakistan and the trade between the two countries has virtually come to a standstill. Even when trade is resumed, India will inevitably have to take steps to reduce her trade deficit with Pakistan. Pakistan has incurred a large partition debt to India, of the order of Rs. 300 crores, the repayment of which is to begin in 1952. India's claim for settlement of evacuee property would also result in Pakistan having to pay large amounts to India. Taking these factors into account, Pakistan can hardly count on her favourable balance of payments with India to finance part of her larger deficit with other countries.

PAK TRADE DECLINES

As a result of non-devaluation, Pakistan's trade with other countries has already shown signs of a decline. During the last three months of 1949, Pakistan's sterling assets have gone down by as much as £10 million. Her main exports are raw jute, raw cotton, raw wool, hides and skins, and tea. Indian manufacturers having refrained from buying raw jute, the jute prices themselves have already been reduced. The demands from countries other than India is small. Indian exports of raw jute, although limited in quantity, are more competitive. For hides and skins again, India is the main market. The prices in Pakistan are believed to have come down to about one-third of the pre-devaluation prices. For raw cotton, although prices in other cotton markets have gone up, the price of Pakistan cotton has remained stationary. For raw wool, Australia, with her devalued currency, is a serious competitor.

The Pakistan Government themselves seem to have recognised a possible decline in the trend of exports in as much as they have cancelled their OGL and have taken measures to severely restrict imports. Sometime ago, Pakistan's Finance Minister stated that in view of the inelasticity in her main export commodities Pakistan's decision not to devalue her currency was expected to be of benefit to the sterling area inasmuch as Pakistan would continue to earn the same amount of dollars as before.

All data available indicates that this expectation is not likely to be realised and in fact Pakistan's earnings of dollars have seriously declined during the period following the appreciation of her currency.

The available statistics analysed above clearly show that:—

Pakistan's balance of trade problem for trade with countries other than India is no less serious than that of India; her adverse balance of trade with these countries was larger than her favourable balance with India for the period July 1948 to June 1949.

Since July 1948, Pakistan's external assets have been declining even more rapidly than those of India and while after the devaluation of Indian currency, India's external assets have improved, Pakistan's assets have gone down further.

Pakistan's favourable balance of payment and trade with India was due mainly to India's open-door policy in respect of imports from Pakistan, Pakistan's restriction on Indian imports, certain fiscal measures taken by her in respect of trade with India and delays in settlement of Government claims.

Pakistan's appreciation of her currency would appear to have been made with a view to increasing her favourable balance with India by worsening the terms of trade against India.

If trade with India is balanced as a result of any action taken by India in self-protection, Pakistan's balance of payments problem will seriously deteriorate.

Pakistan's claim that by maintaining the value of her currency she expected to maintain her dollar earnings is not borne out by the recent trend of events. In fact her contribution to the dollar pool of the sterling area is likely to decline quite substantially.

There are clear indications that although India has kept off buying Pakistan goods, Pakistan's export trade to other countries is on the decline, partly as a result of a reduction in the price levels of her main export commodities and partly as a result of reduced volume of exports.

STANDSTILL IN TRADE WITH PAKISTAN

No Retaliation

Pakistan's decision to appreciate her currency vis a vis both the Indian rupee and sterling has led to a virtual suspension of trade between India and Pakistan. The appreciation of Pakistan currency made it clearly uneconomical for Indian manufacturers to buy their raw materials, principally jute, from that country in the interest of maintaining their export market and they had inevitably to refrain from buying in Pakistan. This was no measure of retaliation but one of obvious protection against having to pay higher prices for their raw material. Nevertheless, a limited volume of trade continued to flow in both directions, either on the basis of barter or on the basis of free exchange rates, which were frequently only a small margin away from parity. These transactions were limited in volume, as, although there were no restrictions on the financing of trade through normal banking channels, many banks in both countries were unwillig to hold or acquire any appreciable quantity of

Better Prospects Before Industry

the overvalued Pakistan currency.

Even this limited trade has been brought to a standstill by certain measures taken by the Pakistan Government such as the prohibition of exports without production of evidence of payment at the official rate of exchange announced by them and the banning of transactions in Pakistan between the two currencies otherwise than at the official rate announced by them.

There has been some correspondence between the two Governments on the subject of the revival of trade between the two countries. The Government of India have throughout expressed their willingness to discuss all issues relating to financial and trade matters but such discussion has been made impossible by Pakistan's insistence that neither the exchange rate nor the floor prices for jute fixed by them should be discussed. It will be appreciated why under these conditions no progress has been possible towards the restoration of normal trade relations between the two countries.

A CONCLUSION

There is, however, one conclusion it is difficult to escape. The integrated economy of undivided India has inevitably been affected by the partition and although one may continue to hope that the old pattern of trade between the two countries would be re-established, India cannot afford to remain dependent on an outside source for the essential raw materials of the country's main industries 'viz'. jute and cotton. Apart from the risk involved in such a course, which recent events have underlined, this dependence also means a considerable expenditure of foreign exchange. It is, therefore, in the long term interests of the country to increase the internal production of jute and cotton and the steps taken in this connection have already been referred to.

FINANCIAL YEAR

Revenue And Expenditure 1949-50

For the current year, against a nominal surplus of Rs. 49 lakhs provided in the budget, there is likely to be a deficit of Rs. 3.74 crores.

REVENUE

The revenue receipts are now estimated at Rs. 332.36 crores compared with the budget estimate of 323.02 crores, an increase of Rs. 9.34 crores. Receipts under Customs show an improvement of nearly Rs. 9 crores due to a phenomenal increase in imports during the earlier months of the year, the increase in the export duty on jute, and the levy of export duties on mustard oil and pepper during the course of the year. This increase will be partly set off by a reduction in revenue in the closing months of the year, as the result of the reimposition of import controls, by the abolition of the export duty on cotton cloth and the reduced yield from the export duty on raw cotton. The revenue from Union Excise Duties is not expected to differ materially from the budget. Income-tax receipts are now estimated at Rs. 149 crores and the Provincial share of income-tax at Rs 40.74 crores, to which a sum of Rs. 5 crores will be added for the payment of arrears carried over from last year The contribution from the Posts and Telegraphs Department is now estimated at Rs. 377 lakhs (Rs. 70 lakhs less than estimated) while, following the improvement in Railway earnings, the Railway contribution has been raised from Rs. 472 crores to Rs. 7 crores. Miscellaneous heads of revenue are expected to show an increase of Rs. 2½ crores.

EXPENDITURE

The revised estimate of expenditure in 1949-50 is placed at Rs. 336.1 crores of which Defence Services account for Rs. 170.06 crores and Civil estimates for Rs 166.04 crores.

The expenditure on Defence Services this year is likely to be Rs. 12.69 crores more than the Budget estimate of Rs. 157.37 crores. It was made clear at the time the Budget for the current year was introduced that it had been framed in the hope that the 'Cease-fire' in Kashmir would eventually lead to a peaceful solution of the problem but that if, for any unforeseen reason, this hope was not realised it may be necessary to exceed the budget provision. It was only in July-August 1949, nearly eight months after the 'Cease-fire', that the 'Cease-fire' line was agreed upon and demarcated and since then there has not been much progress towards the conclusion of a truce agreement or the progressive withdrawal of the enemy forces from Kashmir. In these circumstances an increase over the original Budget provision is inevitable. Actually, the increase would have been somewhat greater but for certain measures of economy introduced during the course of the year.

CIVIL ESTIMATES

The net increase of Rs 88 lakhs in Civil expenditure is the result of a number of increases and decreases of which the more important may be mentioned here. The revised estimate includes a provision of Rs. 257 lakhs for the payment to the Saurashtra Union, of compensation for the period ending 31st March 1950, for the surrender of the customs rights and administration, which were taken over by the Central Government on the 15th July 1948 and for the removal of the Viramgam Cordon. It also provides Rs. 99 lakhs for payment to Provinces and States of the Central share of expenditure on the preparation of electoral rolls for the new Parliament. Increased expenditure is expected under Civil Works and on the strengthening of the Audit Department to enable it to cope with the increased work and restore the pre-war standards of audit. Additional expenditure of over Rs. 3 crores is also expected on the relief of displaced persons and of Rs. 3.45 lakhs in the expenditure on the payment of bonus to Provincial Governments for internal food procurement. These, and other minor increases under other heads, will partly set off by a saving of Rs. 6 3/4 crores in the provision of Rs. 28 3/4 crores for the payment of subsidy on imported foodgrains. A saving of Rs. 1,08 lakhs is also expected as a result of the decision to recover from the sale proceeds of surpluses the cost of the Disposals organisation.

DEBT POSITION

THE outstanding public debt of the Government of India is expected to amount to Rs. 2,087 crores at the end of the current year and Rs. 2,126 crores at the end of 1950-51.

A broad analysis of the debt compared with the outstanding debt at the end of 1938-39 is given below.

(In lakhs of rupees)

Particulars	As on 31st March 1939	As on 31st March 1950	As on 31st March 1951
RUPEE LOANS:			
Current Loans ..	4,37,87	14,52,15	14,85,32
Treasury Bills & Ways & Means Advances ..	46,30	3,49,09	3,49,09
Treasury Deposit Receipts ..	....	12,39	13,14
Special Floating Loan ..	....	2,12,61	2,12,61
Expired Loans	65	7,35	6,16
TOTAL ..	4,84,82	20,33,59	20,66,32
STERLING LOANS:			
Current Loans	3,96,50	2,73	1.34
War Contribution	20,62	20,62	20.62
Capital portion of Railway Annuities	47,82	13,29	10,96
Expired Loans	1	7	5
TOTAL ..	4,64,95	36,71	32,97
Dollar Loans	....	16,77	26,29
GRAND TOTAL ..	9,49,77	20,87,07	21,25,58

INTEGRATION OF STATE FINANCES

A Great Achievement

Before passing on to the estimates of the coming year, a brief account may be given of the changes in the pattern of the fiscal and financial relationship between the Centre and the former Indian States. The process of reducing the number of these States and integrating them with either the neighbouring Provinces or forming them into sizable units has been going on steadily since the achievement of independence. A very large number of these States have either been merged in the Indian Provinces or formed into Chief Commissioners States (like Tripura, Manipur, Bhopal, Kutch, Himachal Pradesh, Bilaspur and Vindhya Pradesh). In either case they lose their identity and become part of a Province or a Centrally administered area. But where the States continue by themselves like Hyderabad or Mysore, or form separate Unions like Saurashtra, Madhya Bharat, Patiala and East Punjab States Union or Rajasthan, the problem of reorienting their financial relationship with the Centre arose.

To consider this problem a Committee was appointed in October 1948 under the Chairmanship of Shri V. T. Krishnamachari to enquire into the structure of public finance of these States and to advise on the integration of federal finance in those States with those of the Indian Union. The recommendations of this Committee have, with certain agreed modifications, been accepted by the Government of India and the Governments of the States concerned. The scheme of integration, which will take effect from the 1st April 1950, places the States and Unions in the same position as the Indian Provinces 'vis-a-vis' the Centre. The present composite Governments of these States will be divided on a functional basis and the Centre will take over the Central subjects and services from these States with the related assets and liabilities. But since some of these States were financing what would be Provincial services from the surplus of their revenue from Central subjects some form of financial assistance to them to meet the dislocation caused by the lifting of federal revenue and expenditure from their budgets is obviously necessary

Following the Committee's recommendations, for a transitional period of ten years the Centre has agreed to make good (with certain adjustments) to the States the difference between the actual federal revenue lost to them and the federal expenditure saved to them as a result of federal financial integration. This reimbursement will be made in full for the first five years and on a diminishing scale for the next five years. The States will be in the same position as the Provinces in the matter of sharing divisible sources of revenue like income-tax but any grant made to them to cover the federal revenue gap will be set off against this share. States which are left with a surplus as a result of the integration will retain the surplus but the Privy Purses of the former Rulers of these States will be recovered from them to the extent of this surplus. They will, in addition, get their appropriate share of divisible heads of Central revenue. It will be some time before the "revenue gap" of these States can be determined but on the basis of the information now available it appears that assistance will be necessary to Hyderabad, Travancore-Cochin, Mysore and Saurashtra while Madhya Bharat, Patiala and East Punjab States Union and Rajasthan will not require assistance from the Centre. The budget next year includes, under the various heads, the Central revenue and expenditure in these States and provision has also been made for the payment of Privy Purses to the former Rulers of the States and for grants to the States whose finances will be dislocated by federal financial integration.

PROBLEM OF MERGER

A similar problem of adjustment has also arisen in the case of the former Indian Provinces into which a large number of Indian States, of varying sizes and in varying stages of development, have been merged. The Krishnamachari Committee enquired into this problem as it arose from the merger of Baroda in Bombay and they suggested that assistance should be given to Bombay on the same pattern as to the continuing States and Unions to meet the dislocation caused by federal financial integration. Government have accepted this suggestion and are applying it uniformly to all the Provinces in which Indian States have been merged and provision has been made in the budget for this assistance.

The problem of bringing the large number of Indian States into the common stream of the country's economic and financial life and of removing the barriers between them and the rest of the country has been defying solution for many years. The Krishnamachari Committee have rendered a most valuable service in assisting Government to find a solution acceptable both to the Centre and to the States.

The integration of the States with the rest of the country, whatever the difficulties to the Centre and to the States in the transitional period, is bound to have a beneficent effect on the country as a whole. The people of these States will share with the people of the former Indian Provinces the same opportunities for progress and development and their Governments will be entitled to the same measure of assistance from the Centre as the Governments of the Provinces. Their assimilation with the rest of the country has made it possible, for the first time in the history of the country, to plan the progress and development of the country as a well-knit economic unit.

FINANCIAL YEAR, 1950-51

Surplus Of 9.62 Crores

At the existing level of taxation the total revenue for 1950-51 is estimated at Rs. 347.5 crores and the expenditure charged to revenue at Rs. 337.88 crores leaving a surplus of Rs. 9.62 crores.

As mentioned earlier, as a result of federal financial integration, the estimates for 1950-51 include the revenue and expenditure under Central heads in the former Indian States and provision for payments such as the privy purses or grants incidental to the integration. They also include the entire revenue and expenditure of such of these States as have been taken under direct Central Administration and constituted into Chief Commissioners' States. The estimates are, therefore, not comparable with those of the current year. During the current year, Central transactions in the merged States have been kept in a self-contained Deposit Account instead of being accounted for under the normal heads, as a measure of budgetary and accounting convenience, particularly as different States merged with the adjoining Provinces or came under Central administration on different dates. These deposits accounts will be closed at the end of the current year and the outstanding balances in them will be transferred to revenue or expenditure.

REVENUE

The total receipts from Customs is estimated at Rs. 106.54 crores The reduction over the current year's receipts is mainly due to the effects of the re-imposition of import controls this year in order to conserve foreign exchange and the changes in duties introduced during the current year. Union Excises are expected to bring in Rs. 71.55 crores, after allowing for the full effects of the reduction made on the 1st February 1950 in the excise duty on cotton cloth. Receipts from income-tax, which include Rs. 9.56 crores on account of Excess Profits Tax and Rs. 8.09 crores on account of the Business Profit. Tax have been placed at Rs. 182.62 crores, the increase over the current year's revised estimate being due to the inclusion of Rs. 10.36 crores on account of revenue from the former Indian States, increas revenue as a result of the work of the Income-tax Investigation Commission and larger collection of arrears. The estimates also include a sum of Rs. 18.31 crores on account of income-tax revenue under Section 18-A taken direct to revenue instead of initially to a deposit head, under the accounting change which was introduced in 1948-49 and which will be completed in 1951-52. The divisible pool of income-tax is estimated at Rs. 108.78 crores and the shares of the former Indian Provinces at Rs. 54.39 crores. In addition, a sum of Rs. 81 lakhs is expected to be paid to the continuing Indian States, as the share of revenue of such of them as do not qualify for a grant-in-aid under the integration scheme. The contribution from the Posts and Telegrappha is estimated at Rs. 4.48 crores.

Under the arrangement between Railways and General Revenues, recommended by the Railway Convention Committee and approved by Parliament, Railways will, from next year, pay General Revenues a dividend of 4 per cent. on the capital at charge instead of interest plus contribution. The total payment by Railways will amount to Rs. 31.85 crores (against Rs. 30.15 crores received as interest plus contribution this year) of which Rs. 25.48 crores will be taken in reduction of the expenditure on interest and the balance of Rs. 6.37 crores as a contribution to revenue. Miscellaneous revenue is estimated at Rs. 9.79 crores against the current year's revised estimate of Rs. 7.82 crores, the increase being mainly due to the new Chief Commissioners' States.

INVESTIGATION INTO INCOME TAX

Commission Submits Report

Among the factors explaining the increase in income-tax revenue in the coming year is the results of the working of the Income-tax Investigation Commission. The Commission have already submitted their report on the adequacy of the existing law to prevent evasion. Their recommendations are under examination and a Bill embodying the accepted recommendations will be placed before the Parliament in the current session. The Commission's recommendations in regard to administrative matters are also under examination and steps are being taken to recruit the necessary staff for the proper manning of the Department. A scheme for the expansion of the survey staff for finding out new assessees is also expected to be introduced early next year.

INDIVIDUAL CASES

The Commission have also made substantial progress in the investigation of individual cases referred to them. Out of 1,365 cases referred to them the Commission have disposed of 116 cases on which a sum of about Rs. 2 14 crore is likely to be recoverable. In regard to the remaining cases the Commission have collected a vast mass of material and information and the cases may be expected to be speedily disposed of. In this connection it must be remembered that in most cases the Commission have to study the available records for a period of seven or eight years and make protracted enquiries relating to these years. The staff at the disposal of the Commission has been strengthened during the year and legislation enacted in the Indian States, always a safe sanctuary for black-market money, to enable the Commission to extend their investigation into these States.

DESHMUKH AWARD

Before explaining the expenditure estimates it will be convenient to deal with the problem of allocation of revenues between the Centre and the States. Under the Government of India Act, 1935, as enacted, the Provinces were entitled to half the net proceeds of taxes on income (other than Corporation Tax) while the jute growing Provinces were sharing 62 1/2 per cent. of the net proceeds of the export duty on jute and jute products. In addition, Assam, Orissa and N. W. F. P. were in receipt of lump sum grants-in-aid. After the partition of the country involving the transfer of two Provinces and parts of three Provinces to Pakistan, the Government of India made a fresh allocation of the Provincial share of income-tax and the export duty on jute among the Indian Provinces, while maintaining the general grants to Assam and Orissa, as the partition made the allocation under the 1935 Act unworkable.

This allocation was criticised in certain quarters and Government came to the conclusion that in the interests of both the Centre and the Provinces the allocation should be re-examined, and determined, by an impartial authority, whose findings should regulate this matter till the Finance Commission consider it in due course. Shri C. D. Deshmukh, a former Governor of the Reserve Bank, was requested to decide the allocation and his decisions have been announced. These will regulate the allocation of income-tax and the payment of the grant in lieu of the jute export duty till the Finance Commission enquire into and decide these questions. Apart from the change in situation created by the partition of the country the financial position of the former Indian Provinces has also been radically altered by the merger in some of them of a larger number of Indian States, many of them backward and undeveloped. The independence of the country has also placed on the Centre an increased responsibility in the matter of defence.

A fresh enquiry into the resources and needs of the Centre and the States, in the altered conditions created by the partition and the integration of the Indian States, now seems necessary and Government have decided that the Finance Commission provided in the Constitution should be appointed with the least possible delay. It is expected that the Commission will start functioning in the coming year and necessary steps in this behalf are being taken.

ESTIMATES COMMITTEE

Unlike the Railway estimates which are placed before the Standing Finance Committee before their presentation to Parliament, the general budget is not examined by any Committee of Parliament. While it is not possible, because of the size and complexity of the general budget and the very limited time available between its completion and its presentation to Parliament, to have it scrutinised by a Committee of the House at that stage the suggestion has been made that the estimates should be examined by a Committee of the House after it has been passed by Parliament, so that Government may have the advantage of the detailed examination of these estimates on behalf of the House. It has been decided to invite Parliament to set up an Estimates Committee to scrutinise the estimates during the course of the year. The Estimates Committee will not be concerned with matters of policy and its main function will be to consider how economies in public expenditure could be effected consistent with the policy on which the budget has been framed. The suggestions of this Committee will assist the Government both in effecting economies during the course of the year and in framing the budget for the ensuing year.

EXPENDITURE

The total expenditure next year is estimated at Rs. 337.88 crores of which Rs. 168.01 crores will be on Defence Services, Civil estimates accounting for the balance of Rs. 169.87 crores.

Details of expenditure on Defence Services are given in the Explanatory Memorandum circulated with the Budget papers and it is necessary to refer in this memorandum only to the broad features. The budgetted expenditure of Rs. 168.01 crores includes a provision of Rs. 8 crores for the pay, allowances and maintenance of the Indian States Forces to be taken over by the Centre on federal financial integration. These forces are being reorganised with a view to their training, equipment and establishment being brought up to the scale and standard of the rest of the Indian Army. At the same time, their numbers which increased considerably during the period of the war, are being brought down to a level considered necessary by the Defence authorities, taking into account the overall requirements for the security of the country This process will take some time but the main changes are expected to be completed by the 1st April 1951. Once these forces are reorganised on the pattern of the Indian Army they will become indistinguishable from the rest of the Army.

Including the expenditure on the States Forces the expenditure for the coming year is two crores less than the revised estimate for the current year. This is the result of certain measures of economy which are proposed to be given effect to in the coming year. These measures have been most carefully considered in the light of all relevant factors and in deciding upon them the paramount requirements of the security of the country have been kept prominently in view. The estimate is based on the assumption that no unexpected developments affecting the country's security will occur.

CIVIL ESTIMATES

Budget Provisions

Details under individual heads are, as usual, given in the Explanatory Memorandum and only the more important items are referred to here. The estimates include a total provision of Rs. 3.42 crores on the administration of the Indian States which have been taken over as Chief Commissioners' States. They also include, under various heads, a sum of Rs. 6.69 crores on account of the expenditure on Central subjects in these States and in the continuing Indian States and Unions. The budget makes a provision of Rs. 4.51 crores for the privy purses of Indian Rulers and of Rs. 11.56 crores for grants-in-aid to the Provinces and States and Unions to cover the dislocation caused to them by federal financial integration. Excluding these special items the budgetted expenditure next year amounts to Rs. 143.69 crores compared with the revised estimate of Rs. 166.04 crores this year. Expenditure on the relief of displaced persons is estimated at Rs. 6 crores against Rs. 13.7 crores this year while the expenditure on the payment of subsidies on imported food grains and on procurement will amount of Rs. 21 crores, a reduction of Rs. 8.67 crores as compared with the current year. Expenditure on the payment of pre-partition liabilities has been placed at Rs. 2 crores against Rs. 6.6 crores in the current year.

Of the total expenditure of Rs. 169.87 crores provided in the budget for the next year, Rs. 30.34 crores are accounted for by special items such as relief of displaced persons, payment of food subsidies, expenses on the coming elections and pre-partition payments, the ordinary expenditure amounting to Rs. 139.53 crores. Of this Rs. 13.81 crores is on tax collection while obli-

(Continued on page 10)

Budget Proposals In Full

NO FRESH TAXES: A SALIENT FEATURE

IN view of the anticipated surplus of Rs. 9.62 crores next year, the budget proposals do not include any fresh taxation.

In the sphere of direct taxation, the first proposal is to abolish the Business Profits Tax. When this tax was introduced in 1947 it was designed, in a sense, to replace the Excess Profits Tax, but in actual operation it applies even when there are no excess profits. The tax, for example, applies to a partnership, the capital of which is Rs. forty lakhs even if the profits are as low as six per cent, while if each of the partners decided to do business independently and make as much as ten per cent there would be no liability to pay this tax. In its application to companies, the tax affects only the entrepreneur who has furnished the risk-bearing capital and not the preference shareholder.

The Business Profits Tax has been the most important single factor affecting capital formation and the development of existing industries. Its abolition will cost Rs. eight crores, of which Rs. 3.63 crores will come back by an increase in the yield from supertax and income-tax, leaving a net loss of Rs. 4.37 crores.

REDUCTION IN INCOMETAX

Move Will Aid Growth Of Industries

The second proposal is a reduction in the incometax paid by companies, with a concurrent adjustment in the rate of super-tax. It is proposed to reduce the rate of incometax payable by companies from five annas to four annas, but raise the company supertax by half an anna. The reduction in incometax is estimated to cost Rs. 10.56 crores but this will be set off to the extent of Rs. 5.28 crores by the increase in super-tax, the net loss remaining at Rs. 5.28 crores. This reduction will help companies to plough back more of their profits into their business and is designed to assist in the development of industries. Even with this reduction, the general rate applicable to a company, taking income-tax and super-tax together, will be six and a half annas, i.e., half an anna more than the rate during 1946-47.

The third proposal is to reduce the tax payable on slabs of personal income between Rs. ten thousand and Rs. fifteen thousand by half an anna, from three and a half annas to three annas. The middle classes have been the most hit by the rise in prices in recent years and the process of giving them some relief began last year when the rates for incomes upto Rs. ten thousand were reduced. It is now proposed to carry the relief to the net logical step. This concession may encourage these classes to save a little more and invest it in Government loans or in industry. The cost of this concession will be Rs. 1,01 lakhs.

It is also proposed as a further measure designed to stimulate saving and investment, to reduce the tax on the slab of income in excess of Rs. fifteen thousand from five annas to four annas.

This concession is estimated to cost Rs. 6.5 crores.

Certain changes are also proposed in the field of personal super-tax. The first important change is the abolition of the distinction between earned and unearned income, so far as super-tax is concerned.

The distinction between earned and unearned income for super-tax purposes was introduced in 1946-47. So far as incometax is concerned, it takes the form of a reduction from taxable income of twenty per cent of that income, subject to a maximum of Rs. four thousand. In other words, the need for earned income relief is, in effect, not recognised in respect of income exceeding Rs. twenty thousand.

A DISTINCTION GOES

Relief in respect of earned income is on a par with relief for family provision, such as payment of insurance premia or subscriptions to provident funds, and a concession in respect of this kind of provision is not allowed in these countries in respect of supertax. The relief now given in respect of super-tax, without extending it to company super-tax, has also produced an anomaly as it affects adversely a class of people who invest in public companies, as the dividend from such companies is not treated as earned income.

In actual working also the existing distinction has created a good deal of administrative difficulty in assessing the tax of people who, in addition to personal income, have also income from dividends and interest on securities.

The abolition of this distinction between earned and unearned income the super-tax field is, therefore, both logical and consistent with the taxation practice of other modern countries. The second change is the reduction of the maximum rate of supertax from nine annas for earned income and ten annas for unearned income to eight and a half annas. The rates for the various slabs have also been recast. The revised rates, which will apply to all income without distinction between earned and unearned income, have been fixed at one anna more than the present rate for earned income except that the maximum is reached on incomes above Rs. one and a half lakhs.

This apparent increase by one anna is more than offset by a decrease in the maximum rate of income tax by one anna.

It is also proposed to give a concession in respect of the income of Hindu undivided families. Last year the exemption limit in respect of the income of such families was raised to Rs. five thousand. This limit will be raised by a further Rs. one thousand to Rs. six thousand making it double the amount of exemption allowed for individuals. The cost of this concession is estimated at Rs. twelve lakhs.

The net result of the above changes may now be summarised. The abolition of the Business Profits Tax involves a loss of Rs. eight crores. The concession to undivided Hindu families will cost Rs. twelve lakhs, the reduction in the rate of income-tax on incomes from Rs. ten thousand to Rs. fifteen thousand will cost Rs. 1,01 lakhs, the reduction in the company rate of income-tax Rs. 10.56 crores, the reduction in the maximum rate of income-tax Rs. 6.5 crores, a total reduction in revenue of Rs. 2.619 crores.

This loss will, however, be set off to the extent of Rs. 3.63 crores by increased company super-tax and income-tax resulting from the abolition of the Business Profits Tax, an increase of Rs. 2.29 crores in revenue due to the abolition of the distinction between earned and unearned income for super-tax purposes and the revision of the super-tax rates and an increase of Rs. 5.28 crores in company super-tax following the increase of half an anna in the rate, leaving a net loss of Rs. 14.99 crores. Of this loss, a little less than half, namely Rs 7.12 crores will fall on the States, while the balance of Rs. 7.87 crores will fall on the Centre.

HOUSING

One further concession in the field of income-tax may also be mentioned. In order to encourage house-building and the expansion of business, a concession has been given that the income from houses built before the 31st March 1950 will be exempt from taxation for a period of two years. A similar concession in respect of initial depreciation allowance was also given for buildings constructed for business before the 31st March 1950. This concession is being continued in respect of buildings that may be constructed within the next two years also and necessary provision is being made in the Finance Bill for this purpose.

Provision is also being included in the Finance Bill for the more effective collection of income-tax on tramp steamers whose owners do not maintain an agent in India. The practice now is to make a provisional assessment by assuming that the income is only five per cent of the freight earnings in India. Experience has shown that this is far too low, as none of them ever comes up for a final assessment on the basis of actual profits.

It is, therefore, proposed to increase the percentage from five per cent to sixteen and two-third per cent, subject, of course, to adjustment at the time of final assessment.

It is not proposed to make any change in the field of indirect taxation.

But it must be remembered that only a few days ago, a substantial decrease in taxation was effected in this field by the reduction in the excise duty on super-fine and fine cloth. The loss of revenue involved in a full year is estimated at Rs. three and a half crores, allowance for which has already been made in the revenue estimates.

On the postal side, it is proposed to give a concession in respect in local letters and local post cards, i.e., letters and post cards delivered within the limits of the city or town in which they are posted. The rate for local letters will be one anna for the first tola instead of two annas as at present, the existing rate of one anna for every subsequent tola remaining unchanged. The rate for local post cards will be six pies. In several advanced countries such a distinction between local and extra local deliveries is a feature of the postal system and this may also result eventually in an increase in the volume of business. This concession is expected to cost Rs. twenty lakhs.

TELEGRAMS

In regard to charges on telegrams a reduction of one anna in the basic minimum charge will be made for ordinary telegrams and two annas for express telegrams. This measure is intended to mitigrate to some extent the effect of the increases in telegraph rates which were made during the last war and have continued since then. The loss of revenue is estimated at Rs. 10 lakhs.

It is also proposed to reduce the maximum trunk call rate for a three minute call from Rs. 16 to Rs. 12 for an ordinary call and from Rs. 32 to Rs. 24 for urgent calls and to extend slightly the periods during which trunk calls can be made at concessional rates. This concession which will assist the public and the business community and, eventually, develop the wider use of the long distance telephone is estimated to cost Rs. fourteen lakhs.

FINAL POSITIONS

As mentioned earlier, the net loss from the reductions of taxation in income-tax will cost the Central Exchequer Rs. 7.87 crores. The postal concessions will, in the aggregate, cost Rs. 44 lakhs, raising the total loss of revenue to Rs. 8.31 crores. This will reduce the surplus from Rs. 9.62 crores to Rs. 1.31 crores.

The final positions may be summarised as follows:—

(in crores of Rs.).

Revenue: 339.19.
Expenditure: 337.88.
Surplus, Plus: 1.31.

Taking the budget as a whole, during the two years ending with the budget year, the Central Government would have drawn on its balances to the extent of Rs. 114 crores for meeting its expenditure. This, however, does not mean inflationary spending as in this period the provision for net remittances for financing governmental expenditure abroad amounts to Rs. 345 crores representing largely the cost of the purchase of food, stores etc., and a small amount of expenditure on the payment of pensions, leave salaries and so on. In these two years, taking all governmenal transactions together, the net rupee surplus will, on these estimates, amount to Rs. 231 crores and the entire reduction in the accumulated balances would have been utilised for financing expenditure outside the country.

INDIAN REDS MAY CHANGE POLICY

Less Of Political Adventurism

(From Our Correspondent).

ALLAHABAD, Feb. 27.

To avoid the fate of Titoism, the Indian Communist Party split may be healed with Mr. P. C. Joshi staging a come-back, according to political circles here.

The present policy of the dominant Randive group, veering towards sectarianism and anarchism, is expected to be modified.

It is reported that Mr. P. C. Joshi the former General Secretary submitted a thesis to the Central Committee of the Communist Party of India to be forwarded to the Cominform, explaining his fundamental differences with the present outlook of the party.

The new Communist policy in India is likely to be in tune with the Chinese Communist policy as laid down by Liu Shahe, the Chinese Vice-President of the World Federation of Trade Unions. Liu urged the Communist Parties in Asia to establish "anti-imperialist co-operation with those of their national bourgeoisie who still opposed imperialism though on parts bourgeoisie was temporarily vacillating and cannot be relied upon".

The well-known French Communist leader M. Jacques Ducles also advised Communist parties to eschef political adventurism. He says they should ask in any given period only what that period can provide in the light of political and economic conditions. They should not ask for more, if they want to move forward and not end up in distressing and disappointing abortions. Objective should be realistic and concrete and should correspond to the overriding needs of the country.

A meeting of the party may be held to review the position soon.

ORDINANCE CHALLENGED

JODHPUR, Feb. 27 (UPI): Challenging the validity of the Special Criminal Courts Ordinance promulgated by the Rajasthan Rajpramukh and of the Court itself constituted thereunder, Mr. G. B. Pathak, counsel for the accused, continuing the arguments in the case against the Jodhpur ex-Minister of Education, Mr. Mathuradas Mathur, and against Mr. Kapoor Chand Mangal, before the Special Court, observed that the power to set up special court to try cases allotted to them was arbitrary and opposed to the spirit of the Constitution of the country.

Counsel declared that since January 26, the Rajpramukh derived legislative authority not from the Covenant, but from the Constitution, which did not allow the passing of such an ordinance as had brought the Special Court into being.

On a request made by the Public Prosecutor, the Court adjourned the case to March 22.

The Court also adjourned the other two cases against Mr. Jainarain Vyas, ex-Premier of Jodhpur, and Mr. Shyam Krishna and Dwarkadas Purohit, to March 29

DECLINE OF MARATHA STATE

Dr. Dighe On Causes

BOMBAY, Tuesday: Under the auspices of the Bombay Branch Royal Asiatic Society, Dr. V. G. Dighe, M.A., Ph.D., read a very interesting and thought provoking paper on "The Maratha State in Decline", at the Town Hall today.

Dr. Dighe said that, a weakening of the Central Authority, internal factions, a rise of orthodoxy which set at naught the good work done by the Maratha State, and the fact that the final opponents of the Marathas were a modern progressive State, namely the British people, were some of the main reasons for the decline of the Marathas.

A review of the main currents of the Maratha politics from 1761 to 1802 indicates that after the battle of Panipat the Feudetories followed divergent policies and even fought with one another.

Dr. P. M. Joshi, who presided observed, that the state with one mind and one ideal, which was the "State of Shivaji" had soon ceased to exist after him; also the people did not remain as progressive as they ought to have been. Dr. V. D. Rao proposed a vote of thanks.

Central Road Institute Director

ZURICH, Feb. 28, (PTI-Reuter): The Indian Government has nominated M. Ernest Zipkes, head of the Swiss Federal Road Construction Institute, as Director of the Indian Central Road Research Institute, it was learned here today.

Constables Stabbed

ERNAKULAM, Feb. 28, (PTI): Some unknown persons attacked today the Edapalli police station, four miles from here, stabbed four constables on duty and removed the arms from the police station.

One of the injured constables died on the spot, while another succumbed on his way to the hospital. The condition of the other two is reported to be serious.

PAK AFGHAN RELATIONS MAY BREAK DOWN

Karachi View On Recent Developments

(FROM OUR CORRESPONDENT)

KARACHI, (By Air Mail).

RELATIONS between Pakistan and Afghanistan are deteriorating steadily is the summing up of the situation according to well informed political circles here who even go to the extent of opining that 'the day is not far off when diplomatic relations between the two countries will be completely broken.

The appointment of Mr. I. I. Chundrigar, Pakistan's Ambassador to Afghanistan, as the Governor of the North West Frontier Province and no announcement having yet been made about his successor, has given rise to much speculative beliefs in this connection and the observers feel that Mr. Chundrigar might be the last Ambassador of Pakistan to this neighbouring Muslim country.

The appointment of Mr. Chundrigar as the Governor of N.W.F.P. also appears to have been prompted by the Pakistan authorities on account of the most intimate knowledge gained by him of the internal affairs in Afghanistan which knowledge he can use with much advantage as the Governor of this bordering province in the event of an armed conflict between the two countries.

FULLY WELCOMED

Moreover, Mr. Chundrigar being fully aware of the sentiments and feelings of the Afghan nationals vis-a-vis the Pathanistan or Pookhtunistan movement (which is the root cause of strained relations between the two countries), he can also take effective steps to check the move and counteract the propaganda in the territory put under him. With this aim in view, Mr. Chundrigar's new appointment has been fully welcomed by the local political circles.

On the other hand, it will be remembered, Afghanistan has already recalled its Ambassador from Pakistan seeing that the tempo of feelings of the Pakistani people was much roused on account of continued anti-Afghan propaganda indulged in by the Pakistan press and its radio.

In the diplomatic language, this procedure of calling back Ambassadors from each other's country means clear indication of an impending armed conflict between the two countries which may take place in the near future.

NEW PARTY

Mr. Hussein Saheed Suhrawardy, addressing a mass public meeting at Montgomery, reiterated his demand for early elections, early framing of the constitution and repeal of the Public Safety Acts. This was the last meeting of his fortnight's tour of the Punjab and N.W.F. Provinces undertaken with a view to elicit public opinion and propagate amongst them his idea of forming a new political party in Pakistan which would fight the Government on the question of ameleorating the conditions of the masses. For taking the general stock of the situation and coming to some concrete decision in the matter, Mr. Suhrawardy has called a convention of important League workers from all over Pakistan to be held next month in Lahore.

Criticising the Public Safety Acts, Mr. Suhrawardy said that such Acts were utilised by the Britishers to crush our workers but now our own people are utilising them to crush their political opponents. In some cases they are used on personal grounds. Pakistan Government should do away with such acts and try to rule the people through love, sympathy and goodwill.

In response to the popular demand for Prohibition, the East Bengal Government have decided to close down 276 foreign liquor shops in the province from April 1, 1950. Besides, as a measure of discouraging the habit of drinking while the number of liquor shops will be reduced to a minimum to cater for the needs of the permit holders only, prices of liquor will be increased and the limit of possession of the quantity will be reduced considerably.

Training At World Bank

College graduates from India, Lebanon, Iran, Ecuador, Norway, Italy, England and the United States are beginning a year's training at the headquarters of the International Bank for Reconstruction and Development at Washington, D. C. Photo shows the students with Eugene R. Black, President of the World Bank. Seated left to right: Margaret S. Wolfson of Harpenden, England; Souhail Chamieh of Beirut, Lebanon; Abbas Ordoobadi of Shiraz, Iran. Standing, left to right: Black; Roque Bustamente Cardenas of Quito, Ecuador; Erik Himle of Oslo, Norway; Krishna Mohan of New Delhi; Garrettson Dulin Jr., of New York City and Romeo Dalla Chiesa of Rome, Italy.

ROSY PICTURE OF COUNTRY'S FINANCES

(Continued from page 9)

gatory expenditure such as payment of interest charges and pensions and provision for debt redemption absorb Rs. 43.95 crores. Grants-in-aid to the former Indian States and the Provinces account for Rs. 15.4 crores. Allowing for the expenditure on Currency and Mint of Rs. 1.76 crores and the expenditure of Rs. 28.02 crores in the nation building spheres, such as Scientific Department, Education, Medical, Public Health etc., the balance of Rs. 36.59 crores represents the provision for administration, civil works, etc.

It is difficult to make a precise estimate of the effect on Central finances of the integration of the federal finances of the former Indian States with those of the Centre. A close estimate of revenue and expenditure can be made only after the Central subject in these States have been actually taken over. The amounts provided in the budget in the coming year are the best estimates possible at this stage. The amount of the grants to be made to the deficit States and Provinces to cover the revenue gap caused by federal financial integration also remains to be determined. But on a very rough computation, it is estimated that taking all services, including Railways, into account the net burden on account of the integration falling on the Centre is likely to be of the order of Rs. 9½ crores.

CAPITAL EXPENDITURE

In an earlier paragraph the circumstances in which Government were compelled to reduce the capital expenditure this year and to plan the provision for the coming year on a more modest basis than in the past has been mentioned. Against the current year's budget of Rs. 95 crores roundly for capital expenditure and Rs. 76 crores for loans and advances the revised estimate has made a provision of Rs. 75 crores for capital outlay and Rs. 76 crores for loans, the latter including Rs. 16 crores as temporary ways and means advances to certain States. Next year's budget includes Rs. 62 crores for capital outlay and Rs. 43 crores for loans and advances. The revised estimate for the current year includes a special payment of Rs. 79 crores to the International Monetary Fund and the International Bank for Reconstruction and Development.

Following the devaluation of the rupee, India's subscription to the capital of these institutions and the payment made in rupee securities to the Fund for the dollar loan taken from it had to be raised to the required amount at the altered rate of exchange. Nearly the whole of this payment has been made by the issue of non-interest bearing securities and it does not, therefore, affect the ways and means position now. Details of the various schemes for which provision has been made in the Capital Budget will be found in the Explanatory Memorandum. Among important items may be mentioned the provision of Rs. 20.83 crores this year and Rs. 19.49 crores next year for capital outlay on Railways, Rs. 3.82 crores this year and Rs 5.64 crores next year for Posts and Telegraphs and Rs. 15 crores this year and Rs. 19 crores next year for the river valley schemes Capital outlay on Defence will cost Rs. 12 crores this year and Rs. 8.15 crores next year while Rs. 9.55 crores will be spent this year and Rs. 9.63 crores next year on industrial development.

WAYS AND MEANS

The estimate of borrowing in the current year was based on the hope that there will be a material improvement in the capital market and in the realisations from small savings. Money conditions however remained stringent and this hope has not been realised. Market conditions did not allow the floatation of a regular loan but the investment demand has been met by the creation of further blocks of the existing 2½ per cent Loan 1955. Against the estimated borrowing of Rs. 85 crores fresh borrowings this year have amounted to only Rs 40 crores while the receipts from small savings are now estimated at Rs. 26 crores roundly against the budget estimate of Rs. 37½ crores. The drop has mainly occurred under Postal Savings Bank, the net receipts from which are likely to be Rs. 10 crores less than estimated. Discharges of National Savings Certificates have also been larger than estimated. The mobilisation of small savings and the development of the habit of saving in the rural areas, where the savings movement has made less headway than in the urban areas, is under active consideration and the recommendations of the Committee on Rural Banking on the extension of banking facilities in rural areas are awaited.

SAVINGS DRIVE

Meanwhile every effort is being made by propaganda to spread the savings movement. The system of authorised agents for canvassing the sale of National Savings Certificates, which was abolished in 1948, is being revived as an experimental measure in the States of Bombay, Madras and West Bengal. The results of this will be carefully watched and the scheme extended to other States, if experience justifies it. Government have also introduced a system of compulsory savings for their employees getting a pay of Rs. 250 and over through subscriptions to State Provident Funds. An extension of the scheme to lower paid employees is under consideration and is expected to be introduced shortly.

For next year, a modest estimate of Rs. 75 crores has been taken for market borrowings while the net receipts from small savings have been placed at Rs. 28 crores roundly. In addition to the 2½ per cent. Loan 1950, with an outstanding balance of a little over Rs. 35 crores, which falls due in July 1950, Government have the option of repaying the 4½ per cent. Loan 1950-55 of which the rupee outstandings amount to Rs. 6 3/4 crores and the sterling outstandings to about a million pounds. A the loan carries a high rate of interest Government have exercised this option and the loan has been notified for discharge.

NATIONAL PLANNING COMMISSION

At the end of the last war a comprehensive scheme of post-war development was drawn up and a large number of development schemes have been undertaken both by the Centre and the States on the lines of this development plan. This plan was drawn up for undivided India and in the expectation that for the first five year period the total resources, taking revenue surpluses and borrowing together, will be of the order of Rs. 1,000 crores. The partition of the country and subsequent developments have radically altered the position and the available resources are unlikely to be of the magnitude contemplated some years ago. It has, therefore, become necessary to reconsider the position 'de novo' and draw up a new plan for development taking into account the changes in the economic conditions in the country, the resources likely to be available and the situation created by the integration of the former Indian States with the rest of the country. The National Planning Commission which, Government have decided to set up, will deal with this problem. Meanwhile, to the extent to which the available resources permit, the execution of the development schemes on hand will go forward.

THE TREK FROM EAST BENGAL

CALCUTTA, Feb. 28 (UPI): About 50,000 uprooted people have already arrived in West Bengal from East Pakistan Districts since the disturbances first broke out in Bagerhat on December 20 last year, it is learnt from official sources.

It is further learnt that, out of this figure, more than 20,000 people have come from the area in Khulna District alone.

Ahmedabad Urdu Schools To Be Closed Down

(From Our Correspondent)

AHMEDABAD, Feb. 28: All Urdu schools in the district, except those at Patdi and Maval, will be closed from next year.

Coal Mines Stowing Board

NEW DELHI, Feb. 28.

A surplus of nearly Rs 9.00,000 has been shown by the Coal Mines Stowing Board in its working during 1948-49. The income was Rs. 36.9 lakhs and expenditure Rs. 28 lakhs.

The Board was created in 1939 under the Coal Mines Safety (Stowing) Act, 1939, to administer the fund which is raised by the levy of cess on coal and coke and to spend it on the stowing of coal and other operations to prevent fires in mines and to avoid wastage of coal.

LAW AGAINST BLACK-MARKETERS

Central Legislation Soon

NAGPUR, Feb. 27 (PTI): The Government of India are in consultation with various State Governments with a view to enacting legislation to deal with blackmarketing and other similar offences, Pandit D. P. Mishra, Home Minister of Madhya Pradesh, seated in the State Legislative Assembly today.

PROPOSALS

(Continued from page 1)

for ordinary telegrams and two annas for express telegrams, to mitigate to some extent the result of war-time increases which had been continued.

The rates for trunk calls were to be reduced for a three-minute call from Rs. sixteen to Rs. twelve for ordinary calls and from Rs. thirty-two to Rs. twenty-four for urgent calls, and the periods during which trunk calls could be made a concessional rates slightly extended. These concessions were estimated to cost Rs. 44 lakhs.

The effect of the various changes proposed was a loss of revenue of Rs. 8.31 crores, leaving a final surplus of Rs. 1.31.

Taking the two years ending with the budget year together, the Central Government would be drawing Rs. 114 crores from their balances to meet their expenditure. This, however, did not represent inflationary expenditure as in these two years the net remittances for financing overseas expenditure for meeting the cost of the purchase of foodgrains, stores, etc., and the payment of pensions and so on would amount to Rs. 345 crores. In these two years, taking all Governmental transactions together, the net rupee surplus would be Rs. 231 crores and the reduction in the cash balances would have been utilised only for financing expenditure outside the country.

NO FRESH TAXES

In view of the anticipated surplus of Rs. 9.62 crores next year the budget proposals did not include any fresh taxation. But reliefs in taxation were announced.

In the sphere of direct taxation the first proposal was to abolish the Business Profits Tax. This had been introduced in 1947 to replace the Excess Profits Tax, but it actually operated even when there were no excess profits. In its application to companies the tax affected only that class which furnished risk bearing capital and not the preference shareholder. This tax had been the most important single factor in affecting capital formation and the development of existing industries.

Its abolition was estimated to cost Rs. 8 crores of which Rs. 3.63 crores would come back by way of supertax and incometax.

LATEST COMMERCIAL NEWS

NEW YORK COTTON MAY

NEW YORK, Feb. 28.

Previous Closing	..	32.65
Today's Opening	..	32.59
Difference	..	—6
Today's Closing	..	32.60
Difference	....	—5

LAST QUOTATIONS

BOMBAY, Feb. 28.

Silver Forward	Rs. 182	6
Gold Forward	Rs. 116	4
Silver Bullion	Rs. 182	3
Silver Mint	Rs. 182	3
Gold Ready	Rs. 116	6
Sovereign	Rs. 75	8

NEW YORK STOCKS

NEW YORK, Feb. 28.

Stock Exchange opening prices:
Anaconda Copper Mining unquoted.
General Motors 75-5/8
United States Steel 30-3/4.
Ditto Pref. unquoted.

LONDON STOCK EXCHANGE

LONDON, Feb. 28, (PTI-Reuter): One ray of light penetrates the fog of uncertainty that engulfs the London Stock Market. Rising prices in South African gold shares reflect a flow of safety first money into gold producers and the section stands outfirm and bright from the surrounding gloom. Established dividend payers were in good demand today which was the last of the trading period. Advances were widespread and well maintained.

In most of the other sections, the trend was to lower levels. British Government Stocks led way with falls ranging upto 3/8ths per cent in medium and long dated issues. Nationalisation of stocks, however, showed some recovery in the closing dealings.

Industrials were dull throughout although some assistance was rendered when preliminary contango arrangements revealed preponderance of tankers—more bears than bulls. The trading volume in industrials was down to a bare minimum today and will probably remain so until the political situation crystalises. Many brokers advice clients to 'sit tight" and await events.

Commodity shares followed a prevailing trend and small losses were recorded by oils, Rubbers and Coppers.

Ahmedabad Share Market

AHMEDABAD, Feb. 28.

Market remained firm.

FLUCTUATIONS: Calico opened 295. Lowest 292-12. Highest 301.

Ambika opened 363. Highest 365.

Deferred opened 1705, Lowest 1696, Highest 1720.

CLOSING QUOTATIONS: Calico 294-8, Agind 796, Ambica 365, Deferred 1719, Mahalaxmi 222-8, Ajyodaya Spinning 325, Jupiter 264, New Manekchowk 147-8, Monogram 140, Vivekanand 135, Saraspur 280, Atul 38-8.

Narrow And Irregular Price Moves After Budget

TRADERS PREFER TO STUDY PROPOSALS

BOMBAY, Feb. 28.

The Bombay Stock Exchange was fairly steady during the earlier session with restricted business. The market is said to be long under expectation of tax relief in the Budget but there is utter absence of any buying support. It appears that traders are inclined to unload in case if prices improve after Budget.

Tata Steel Defds. opened at Rs. 1712-8 and declined at Rs. 1705. Ordinary shares opened at Rs. 338 and quietened at Rs. 337.

Bombay Dyeings opened at Rs. 1110 and declined at Rs. 1105, Kohinoors changed hands at Rs. 319 while Svadeshi mill shares were quoted at Rs. 276. Fears of withdrawal of protection to the sugar industry induced increased selling in Belapur shares which after declining at Rs. 224 rallied at Rs. 230.

Tata Steel Defds. after declining at Rs. 1697 improved at Rs. 1715. Bombay Dyeings were quiet at Rs 1102/8. Some traders believe that the Budget session this evening will not make any surprising move as big interests will oppose on either side.

Towards the close Steel Defds. were quoted at Rs. 1712/8 and Ordinary Shares were quoted at Rs. 339. Bombay Dyeings were placed at Rs. 1107/8. The market will be re-open today at 6-15 p.m. for about an hour after the receipt of Budget proposals.

BUDGET SESSION

After the receipt of the Budget, there was irregular price movement Tata Steel Defd. shares opened at Rs. 1712 and declined at Rs. 1675/- on the news of increase in Corporation but thereafter relief in income tax and abolition of Business Tax induced moderate buying and Defds. were quoted at Rs. 1715/-. Thereafter the market was quitely steady around Rs. 1705/-. The general impression of the Budget is believed to be favourable. Removal of Dividend Control will enable some companies handsome dividends. Final closing quotations were as under. ... .

FORWARD SECTION

MILL SHARES	
Bombay Dyeing (10-8)	1112 8
Kohinoor Mills (4-2)	322 0
Svadeshi Mills (12-4)	278 0
Central India Mills (5)	245 0
Simplex Mills (9-8)	198 0
New Great Eastern (9)	158 0
Indore	112 8
Gokak Mills (12)	277 0
Century Spinning (15)	247 8
Swan Mills (30)	315 0
Indian Bleaching (8)	150 0
Finlay Mills (15)	270 8
Morarji Goculdas (S)	150 0
Edward Sassoon (30)	225 0
Meyer (12)	98 12
Apollo Mills (As. 4)	2 15 9
India United Ord (0-12-0)	12 5
India United Defd. (0-12-0)	1 15
Madhusudan (15)	180 0
Podar (S)	135 0
Khatau Makanji (S)	181 4
Swadeshi Coupon	68 0
STEEL SHARES	
Tata Steel Ord. (14)	337 8
Tata Steel Defd. (64-12)	1712 8
Tata Steel 2nd Pref.	138 4
CEMENT	
Associated Cement (7) XD	157 8
INDUSTRIES	
Burma (12-8) XD	363 12
Belapur Sugar (9)	233 0
Shivrajpur Syndicate (1-8)	31 8
Scindia Steam (0-8)	13 6
Premier Construction	97 0
Tata Chemical	12 12
Tata Oil (2)	51 0
Indian Iron (1) XD	32 8
Bengal Steel (0-12-0)	23 2
Bengal India Corp. (9-8)	9 14
Indian Copper	2 7 3
Wimco	227 8
Alcock	297 8
ELECTRIC SHARES	
Tata Power (25)	1552 8
Tata Hydro (3)	154 8
Andhra Valley (25)	1447 8

CASH SECTION

COTTON MILLS	
Elphinstone Mills (5)	61 8
Phoenix (50)	152 8
Indian Mfg. (10)	2960 0
Kurla X.D.	118 12
Colaba (12)	110 8
New City (11)	195 0
Minerva (12)	130 0
Bradbury (12)	420 0
Bharucha Defd. (0-4)	5 0
Bharat Mills (2)	32 4
Mysore (4)	165 0
Madhavji	14 6
Model Mills (12-8)	167 8
Lakshmi Cotton (25)	662 8
Vishnu Cotton (8)	221 4
Western India (40)	2925 0
Standard (15)	227 0
Sholapur (200)	3150 0
Sassoon Cotton Mills (0-8)	16 0
Hindustan Mills (40)	4000 0
Tata Mills (2-4)	58 12
New Victoria 2 (Pref.)	6 0
Palton (8)	110 0
Gold Mohor	902 0
New Kaiser Hind	325 0
Ahmedabad Advance (1)	240 0
New Ahmedabad	198 0
Sassoon Silk (3) X.D.	33 0
New Union Mills (0-8)	19 8
Madhusudan S. (2-5)	85 0
Shrinivas Mills (S)	173 12
Raja Bahadur (4)	62 0
Berar Mills	250 0
Victoria Bills	225 0
ELECTRIC (CASH)	
Ahmedabad Electric (1-8)	131 4
Ahmedabad New	76 4
Surat Electric	130 10
Karachi Electric (2)	138 10
Broach (0-5)	6 12
Ajmer Electricity (0-8)	10 0
Ahmedabad New	76 0
Nagpur Electricity (1-12)	28 8
Poona Electricity Supply (S)	141 4
Bombay Suburban (3)	151 4
Bombay Suburban New	142 8
BANK SHARES	
Imperial Bank of India XD	1770 0
Imperial Bank P. (0-12) XD	442 8
Central Bank (1-8)	85 0
Central Bank New (1-8)	84 0
Bank of India (4)	180 0
Union (0-3)	7 9
Baroda (2-8)	125 0
Devkaran Nanjee Bank (1-8)	37 8
United Commercial (1-8)	46 0
Jaipur Bank (18-0)	35 8
Hindustan Commercial	17 1
Mysore Bank (8)	305 0
Eastern Bank (0-14-8)	54 0
INSURANCE SHARES	
Oriental (125)	4690 0
Empire (10)	671 4
New India (1-7)	58 0
Jupiter (0-12)	12 15
Vulcan (0-10)	13 0
Indian Mercantile (0-4)	11 4
B I G (1)	15 4
Industrial and Prudential	28 4
Neptune	7 0
New Great	25 0
All India General	12 12
RAILWAY SHARES	
C. P. (1-14) XD	118 0
MISCELLANEOUS SHARES	
Steamer (103)	247 8
Bombay Burma New (5) X.D.	120 0
Burma Petrol	1 4 6
Mackenzie (6)	90 0
Port Canning (3)	58 8
Kemp and Co. (20)	325 0
Zandu Pharmacy (7)	125 0
Industrial Invest Trust (5-12)	94 8
Dharamsey Chemical (2)	41 0
Mukund Iron	13 0
Dena Trust (0-12)	14 0
Alembic (15)	147 8
Supreme Industries	72 8
Bombay Uganda	87 8
Bombay Motor Cycle	22 8
Indian Cement (1937)	171 4
Walchand Nagar Industries (B. S.)	140 0
United Motor	28 0
Bombay Safe Deposit (27)	880 0
Hydary Construction	19 10
Mahamadi Steam	20 0
Sardar Carbonic XD	200 0
Harvey Press	310 0
Gujarat Motor	26 14
Estrella Batteries	30 4
Manmad Press	120 0
National Rayon	55 0
PREFERENCE SHARES	
Tata Steel 1st (6)	197 8
Andhra Valley (7)	1232 8
Tata Power (7-8)	1340 0
Hydro Electric (7)	125 10
Bombay Steamer (6)	126 14
Central India (5)	653 12
Swedish Mills	130 0
Vishnu Mills (7)	270 0
New Great Mills (5-8)	220 4
Podar Mills (4)	95 0
Shrinivas Mills	98 0
Elphinstone Mills (7)	100 4
Bradbury Mills (7-8)	916 0
Surat Electricity (3-4)	130 0
Pre. Construction First	100 8
Pre. Construction 2nd Pref.	98 8
Amalgamated	115 0
Habib	72 9
Tata Chemical	122 8
Walchandnagar	130 0
Jupiter	13 4
Supreme	100 0
Meyer	103 8
Mackenzie (2)	80 0
Ahmedabad Advance	127 8
Mysore Mill	50 8
Standard	99-0-0
Madhusudan	12 0
Khatau	100 0
Morarji	94 8
National Rayon	74 0
DEBENTURES	
Andhra 1952	103 8
Gula Kajamsingh	8 9
Rubber Planting	17 0
Bombay Steamer	97 0
Indian Hume Pipe	101 0
Tata Power 1951	103 0
Walchandnagar	105 0
OUTSIDE SHARES	
Burma Corporation	2 14
New Victoria	2 2
New Victoria Pref.	4 4
Phalton	118 0
Gold Mohor	302 8
New Kaiser-i-Hind	325 0
Sajjan	155-0-0
Osmanshahi	250 0
Ajam Shahi	280 0
Air Services	4 12
Air India	65 0
Hind Motors	5 9
India Steam	7 10

Record Of Business In Budget Session 7 P. M. To 8 P. M.

BOMBAY, Feb. 28.

MILLS

Apollo 2-15-9.
B. Dyeing 1100 12-8 7-8 12-8.
C. India 248 48-8 45.
Century 247-8.
E. Textiles 225.
Finlay 270-8.
Gokak 277.
I. U. Defd. 1-15.
I. U. Ord. 12-4 12-5.
Indore 110 12-8.
Kohinoor 320 24 21 22.
Meyer 98-12.
New Great 158.
New Union 19-8.
Podar 135.
Simplex 197 99 97 98.
Svadeshi 279 74 80 77 78.
Vishnu 221-4.

SHIPPINGS

B. Steam 247-8.
Scindia 13-7 13-8 13-6.

BANKS

Baroda 125.
Central 84 85-4 85.
Central New 84.
Imperial Old 1770.
Imperial New 437-8 42-8
India 180.
Union 7-9.
U Commercial 46.
Ahmedabad 131/4
Andhra 1455, 57/8
Suburban 151/4
Hydro 154/8
Power 1555. 52/8
New India 58
B. Steel 23/2, 23, 23/3
I Iron 32/2, 32/7, 32/6, 32/8
Tata Defd. 1690. 1720, 2/8. 12/8
Tata Ord. 334. 40, 35, 37. 36/8. 37 8
Tata IInd Pref. 137/12, 38/4
Alcock 297/8, 98/2
A.C.C. 158/8, 57/8
Belapur 234. 33, 34, 33
B.B. Old 360, 65, 63/12
B.B. New 120
B.B. Petrol 1/4/6
B.I.C. 9/12, 9/15, 9/14
I. Bleaching 150
I. Copper 2/7/3
Port Canning 58
P. Const 95/8. 98, 96, 97
Tata Chem. 12/9, 12/12
Tata Oil 51
Wimco 225. 22/8, 32/8, 27/8

GOLD AND SILVER

BOMBAY, Feb. 28.

The local bullion market was quietly steady with restricted business. Owing to approaching Settlement, there was very little fresh business, As far as the Budget is concerned, there is nothing to disturb the market as there are no imports but expectations of death duty is sustaining demand.

At the opening Forward Silver was quoted at Rs. 182-10 and declined at Rs. 182-6 under scattered selling. Ready Silver was placed at Rs. 182-4. Forward Gold opened at Rs. 116-14 and declined at Rs. 116-8. Ready Gold was quoted at Rs. 116-8 and Sovereigns were placed at Rs. 75-8.

Later on there were rumours of removal of import duty. Quotations at 5 p.m. were as under:—

	Rs.	as.	p.
Ready Silver	182	8	0
Forward	182	8	0
Ready Gold	116	4	0
Forward	116	4	0

PRODUCE MARKET

BOMBAY, Feb. 28.

The local produce market was quietly steady with very little business. Quotations were as under:—

	Rs.		
GROUNDNUTS			
Quality	42	8	0
Bold	41	8	0
Madras	42	6	0
Oil Local Mills	22	12	0
Oil Up-country Mills	22	5	0
Oil March	22	8	0
LINSEED			
Bold	38	8	0
Small	37	0	0
February-March	38	7	0
March-April	37	10	0
April-May	37	0	0
Oil	21	14	0
CASTORSEEDS			
Ready	28	12	0
Madras February	29	0	0

Exports Of Cotton Seed From Pakistan

(From Our Correspondent)

KARACHI, (By Air Mail).

The export of cotton seeds from Pakistan has been of late somewhat restricted, says a Press note issued by the Ministry of Agriculture and Food, Government of Pakistan.

The Government is aware of it the Press note states, adding this has been largely due to the fact that the Indo-Pakistan sub-continent was not surplus in cotton-seeds and very little used to be exported. As a result, enough markets have not been established nor the distinctly superior quality of Pakistan cotton-seeds adequately publicised in foreign markets.

However, since the stoppage of trade with India, Government of Pakistan have been taking necessary steps in the matter. A scheme of grading cotton seeds is being put into operation soon to ensure quality and grade. Samples are being sent out to foreign countries to prove the high oil contents of seeds. As a result of these efforts, new buyers are gradually coming into the field. A contract for the export of 10,000 tons has been signed as a first instalment. Many more, it is hoped, will follow soon.

The Government hope that ginners as well as other traders in cotton-seed would fully co-operate with the Government in ensuring quality and grade and help in establishing a high reputation which Pakistan's cotton-seed deserves to enjoy all over the world.

GOVERNMENT LOANS

BOMBAY, Feb. 28.

2 1/2 per cent 1954	98	14	0
2 1/2 per cent 1950	100	2	0
2 1/2 per cent 1955	99	14	0
2 1/2 per cent 1961	96	12	0
2 1/2 per cent 1960	99	8	0
2 3/4 per cent 1962	99	2	0
2 3/4 per cent 1973	95	12	0
3 per cent Con.	97	8	0
3 per cent 1951-54	100	5	0
3 per ceent 1952-55	101	10	0
3 per cent 1957	101	10	0
3 per cent 1950-51	100	2	0
3 per cent 1963-65	100	5	0
3 per cent 1966-68	100	3	0
3 per cent 1970-75	100	0	0
2 1/2 peer cent 1954-59	104	6	0
3 1/2 per cent 1960-70	110	2	0
4 1/2 per cent 1950-55	100	14	0
4 1/2 per cent 1958-60	110	6	0
4 1/2 per cent 1953-56	112	10	0
PROVINCIAL LOANS			
3 per cent Bombay 1962	99	3	0
2 3/4 per cent C. P 1961	97	2	0
2 3/4 per cent Madras 1981	97	2	0
3 per cent Bombay 1955	100	8	1
3 per cent Bombay 1958	100	4	0
3 per cent Punjab 1952	99	0	0
3 per cent Madras 1952-53	100	8	0
3 per cent C. P. 1952	100	6	0
3 per cent U P. 1952	100	6	0
3 per cent N.-W.F 1952	98	2	0
3 per cent U. P. 1901-68	99	8	0
3 1/4 per cent Municipal 1977	98	12	0
4 per cent B. P. L long dated	109	12	0
4 per cent Bombay Muni. 1959	109	12	0
5 per cent Bombay Muni.	114	0	0
6 per cent Bom Municipality 1954	113	8	0
6 per cent K. P. T. 1950	113	0	0

MONEY MARKET

BOMBAY, Feb. 28.

B. C. Rates T. T. D. D. 1/5 15/16 Ready.

B. C. Rates T. T. D. D. 1/5. 29/32 up to 6 Months.

London Banks Selling T. T. D. D. 1/5 31/32 Ready.

London Banks Selling T. T. D. D. 1/5 15/16 upto 6 Months.

London Banks Buying T. T. 1/6 1/32 to 9th Month.

London Banks Buying T. T. 1/6 1/16 10th-12th Month.

London Banks Buying D. D. 1/6 1/16 to 4th Month.

London Banks Buying D. D. 1/6 3/32 5th and 6th Month.

London Banks Buying D. D. 1/6 1/8 7th—9th Month.

London Banks Buying 60 and 90 d/st 1/6 1/8 to 4th Month.

London Banks Buying 60 and 80 d/st 1/6 5/32 5th and 6th Month.

London Banks Buying 60 and 90 d/st 1/6 3/16 7th—9th Month.

London Banks Buying 120 d/st 1/6 5/32 to 4th Month.

London Banks Buying 120 d/st 1/6 3/16 5th and 6th Month.

London Banks Buying 120 d/st 1/6 7/32 7th—9th Month.

New York B. C. Rate T. T. Rs. 478 1/4, Montreal Rs. 435.

Banks Selling T. T. D. D. Rs. 478 1/4, Montreal Rs. 435.

Banks Buying T. T. Rs. 475 Montreal Rs. 431 3/4.

Banks Buying D. D. Rs. 472 1/2 Montreal Rs. 429 3/4.

Banks Buying D D. Rs. 473 3/4 L/C., Montreal Rs. 430 1/2.

Paris Banks Selling T. T. Fcs. 7250.

Paris Banks Buying T. T. Fcs. 7500.

Amsterdam Banks Selling T. T. D. D. Fl. 79.

Switzerland Banks Selling T. T. D. D. Fcs 90 1/4.

Belgium Banks Selling T. T. D. D. Fcs. 1033.

Java Banks Selling T. T D. D. Gld. 79.

Hongkong Banks Selling T. T. D. D. Rs. 83 1/2

Singapore Banks Selling T. T. D. D. Rs. 156 3/4

Manila Banks Selling T. T. D. D. Rs. 238 3/4.

New York/London Cross Rate dol. 2.79 7/8 to 2.80 1/8 London/Afghanistan Cross Rate Afghani Rs. not quoted. London/Alexandria Cross Rate Pia. 97 1/4-3/4. London/Amsterdam Cross Rate Fl 10.63-65 London/Bangkok Cross Rate Tcl. 35 London/Belgium Cross Rate Fcs 139.90-140.10. London/Denmark Cross Rate Kr. 19.32-36. London/Hongkong Cross Rate 1/2 13/16 1/2 29/32 London/Iran Cross Rate Rl. 89.40-91.00 London/Java Cross Rate Fl 10-63-65, London/Karachi Cross Rate Rs. 2/1-84-2/1.94, London/Lisbon Cross Rate Es 80.35 London/Lisbon Cross Rate Pes. 5.60.5.65 London/Montreal Cross Rate dol. 3/07 3/4-3.08 1/4 London/New York Cross Rate dou. 2.79 7/8-2.80 1/8, London Oslo Cross Rate Kr. 19.98-20.02 London/Paris Cross Rate Fcs 979-981 London/Prague Cross Rate not quoted London/Singapore Cross Rate 2/4 1/16 2/4 3/16 London/Stockholm Cross Rate Kr. 14.4750 London/Switzerland Cross Rate Fcs. 12.23-12.26.

London Discts 3 Mos. 5/8 p.c.

London Discts 6 Mos. 3/4 p.c.

Reserve Bank Rate 3 per cent.

Bank of England Rate 2 per cent.

Money: Call 3/4 per cent, 3 Mos. 1-1/4 per cent 6 Mos. 1-1/2 per cent. 12 Mos. 1 1/2 per cent.

Tone: Easy.

SHIPPING NEWS

We give below the latest information regarding vessels due to arrive at and sail from Bombay under Agency of Messrs. Volkart Brothers:—

DUE TO ARRIVE AT BOMBAY

From USA, Canadian, Pacific Ports, via Manila, Indonesia, Straits, Colombo s.s. "Lawak" 22nd March, s.s. "Silvermaple" 24th April s.s. "Hoegh Silvermoon" 17th April.

From USA, Canadian Atlantic Ports, Gulf of Mexico via Mediterranean, Persian Gulf and Karachi s.s. "Marken" 23rd April s.s. "Hoegh Silvercrest" 8th April s.s. "John Bakke" 12th April, s.s. "Slamat" 17th April, s.s. "Hoegh Silverspray" 28th March.

From Australia via Singapore and Colombo s.s. "Hoegh Silverstream" 31st March s.s. "Elizabeth Bakke" 22nd April

From North Continental and Mediterranean Ports via Karachi s.s. "Hoegh Silverwave" 5th March, s.s. "Ceram" 7th March.

DUE TO SAIL FROM BOMBAY

For Calcutta via Colombo, Madras s.s. "Silvermaple" 29th April, s.s. "Marken" 28th April, s.s. "Slamat" 23rd April, s.s. "Hoegh Silverspray" 3rd April, s.s. "Ceram" 11th March.

For USA Canadian Atlantic Ports, via Red Sea Ports and Mediterranean s.s. "Hoegh Silverwave" 10th March, s.s. "Hoegh Silverstream" 5th April, s.s. "Elizabeth Bakke" 27th April.

For Australia via, Colombo, Singapore s.s. "Hoegh Merchant" 3rd March, s.s. "John Bakke" 18th April, s.s. "Hoegh Silvercrest" 12th April.

For Persian Gulf via Karachi s.s. "Lawak" 27th March s.s. "Hoegh Silvermoon" 22nd April.

ART SILK YARN

BOMBAY, Feb. 28.

120 Ready Japan	6	14	0
150 Ready Japan	5	7	0
120 Ready Italy	4	13	0
150 Ready Italy	5	0	0
150 D. Box Feb.	985	0	0
150 D. Box March	991	0	0

ALEXANDRIA COTTON

ALEXANDRIA. Feb 27.

KARNAK	
March	73.75—245
May	74.13—242
July	74 45—225
November	73.20—145
ASHMOUNI	
April	68 80—150
June	68.95—175
October	61.05— 55
December	60.50— 70

LONDON BULLION

LONDON, Feb. 27.

Silver Spot and Forward both 64 pence. Gold Bars Fine per oz. £12-8-0

N. Y. SILVER SALES

NEW YORK, Feb. 27.

Silver: Open market dealings broadened to around 200,000 ounces at unchanged price.

MADRAS SHARE BAZAR

MADRAS, February 28.

Following are today's quotations in the Madras stock market:

Government of India loans three per cent. paper 97, do. three per cent 1986 97/9 1970/75 100, Government of Travancore loan three per cent 1952. 54 101 5. Government of Madras loan three per cent 1960 100 4.

BANKS: Travancore Bank 14 8.

PLANTINGS: Blue mountain 3, Chembra 5/3, Cochin Malabar 4 13, Devashola 13/12, Midland 5/12 6, Nelliampathy 1 3, Ouchterlony 6 6, Pullangode 1 5, Thirumbadi 1/15, T R and T Co. 5/14 6.

TEXTILES: Bangalore woollen 244, Buckingham 147, do. pref. 186, Cambodia 12/4, Coimbatore C. M. 134 do. Pioneer 119 do. Spg. 53, Lakshmi 68/8, Madura 39 12, Mettur 320, Radhakrishna 163. Trav. Rayons 4 6, Trichinopoly 10.

MISCELLANEOUS: Andhra Cement 70/8, F A C T 5/2, India Cement 18, Mettur Chem. 6, Mysore Chem. Fert 9 2.

CALCUTTA SHARE BAZAR

CALCUTTA, Feb. 28.

The Calcutta Stock Exchange today ruled steady for the more speculative stocks while other's remain unchanged Rollowing are today's prices:—

GOVT. SECURITIES: Three per cent Government Paper 97.1 S. L., 3 per cent Loan 1986 97/5. 3 per cent Loan 1957 101/8 S. L., 2 per cent Loan 70 75 100/2, 4 per cent Loan 60.70 109/15 S. L.

COTTONS: Cawnpore Textiles 11/1, New Victoria Ordy. 1/14.

COALS: Bengal 541, Burrakur 12/5, Equitable 43/2, Raneegungbe 10/1, Seebore 31/2, Western Bengal 4/13.

JUTES: Auckland 117, Belevedere 242, Howrah 27/7, India 149, Kinnison 173 Presidency 5/4.

ENGINEERINGS: Braithwaite and Co. 8/3, Burn and Co. 260, Jessop and Co. 14/12, Indian Iron and Steel 32/4, Kumardhubi 8, Marshalls 7/2, Steel Corp. 23/1.

MISCELLANEOUS: Associated Mining 2/10, Indian Copper 2/5, Sone Calley 6/10, Calcutta Electric 15/4, Bharat Airways 3/1, Indian Aluminium 131, Indian National Airways Pref. and Ordy. 3/9, Indian Wood Products 29/14, Martin Burn 15/6, Tide Water Oil 19/8, Titaghpur Paper 34/7, Mindnapore Semindary 55/8, Assam Saws 8/10, India Steamship 7/10.

SUGARS: Cawnpore 23, Champaran 20.

TEAS: Basmatia 25/10, Dhundseri 8/4, Dfliaghur 30/2, Hantapara 182, Hasimara 37, Naga Hills 8/12, Tezpore 22/9.

BANARAS UNIVERSITY HONOURS DR. PRASAD

Honorary Degree Conferred At Special Convocation

BANARAS, February 28 (PTI)

THE Banaras Hindu University conferred today the honorary degree of Doctor of Laws on President of the Indian Republic Dr. Rajendra Prasad at a special convocation held this afternoon under a spacious pandal on the amphitheatre grounds of the University.

In a colourful setting on the dais were seated the President, the Governor and the Chief Minister of the Uttar Pradesh, Maharaja of Banaras, the Pro-Chancellor Maharajadhiraj of Darbhanga, Maharajkumar of Vijianagram, Vice-Chancellors of twenty-four universities, who earlier participated in the silver jubilee celebrations of the Inter-University Board, deans, senators and syndics of the University attired in red, blue, scarlet and yellow academical robes.

The Pro-Vice Chancellor said: "I present unto you, Shri Rajendra Prasad, on whom the Senate of the University has unanimously decided to confer the degree of the Doctor of Laws (Honoris Causa) in recognition of his meritorious service to the Motherland".

Amidst ovation and cheers, the Vice-Chancellor, Pt. Govind Malviya, conferring the degree on the President said: "In virtue of the authority vested in me as Vice-Chancellor of this University, I confer upon you, Shri Rajendra Prasad, the degree of Doctor of Laws (Honoris Cause) and allow you to wear the hood ordained as insignia of your degree."

The entire proceedings of the special convocation were conducted in Hindi.

MEDIUM OF INSTRUCTION

Referring to the question of medium of instruction, the President said: "It is, I believe, accepted universally by all informed and authoritative opinion on the subject, that education to be effective, complete and economical both as regards time and cost, must be given through the language of the people and the only question is that of practical application of this universally accepted principle to the conditions prevailing in this country. The Commission has suggested a solution which I consider to be a sort of a compromise solution. Considering all things, personally, I should not hesitate to accept it wholeheartedly provided it can be implemented without reservation and without delay.

Dr. Prasad was accorded a hearty and cordial welcome by Pandit Govind Ballabh Pant, on behalf of the people and Government of Uttar Pradesh at a meeting held under the auspices of the Inter-University Board

COMMISSION'S REPORT

Dr. Prasad made a reference to the University Commission report and said its value consisted very largely in the fact that it recognised the necessity for a fundamental change in the set up of things in this country and proceeded to deal with its educational problems on that basis It had, therefore, had to recommend many revolutionary changes It had the further merit of not contemplating a complete break with the past but conserving the best that was available and striving for the best that needed to be achieved.

"I have no doubt that you, as representatives of our universities and custodians of our modern educational traditions and inspirations, will give your best thought to its recommendations and suggestions", he said.

Dr. Prasad was greeted by Mr. Sri Prakasa and Mr. M H. P. Mody, Governors of Assam and Uttar Pradesh respectively and by the Chief Minister, Pandit Govind Ballabh Pant, as the President's plane landed at Babat Pur aerodrome at 10-20 this morning.

Restrictions On Gur Movements

NEW DELHI, Feb. 28.

The Government of India have, by a notification issued today, banned the movement of gur, gur shakkar or khandsari sugar by rail from any place in Uttar Pradesh to any place within or outside that State. The booking of these commodities from any station in U.P. to any town outside U.P. within a radius of thirty miles from the border is also banned.

The transport of gur, gur shakkar, or khandsari sugar by any mechanically propelled vehicle is also banned from any place in Uttar Pradesh to any other place situated within a radius of thirty miles from the Uttar Pradesh border, or to any place outside U.P., says a press note issued by the Ministry of Agriculture.

NEW YORK PEPPER MARKET

NEW YORK, Feb. 27.

Steady but rather in active conditions prevailed with spots offered at 143 cents per pound. Black pepper in all positions developed a slightly firmer basis late in the past week following the absorption of scattered lower priced lots. Following are todays closing prices: Spot 1.43 asked March 1.41 nom. May 1.41 nom. July 1.38 bid, September 1.38 bid. October 1.38 bid and December 1.32 nom., sales nil. White spot 2.50.

LONDON PEPPER MARKET

LONDON, Feb. 27.

Conditions were idle with little quotable change. Sellers of Black Lampong Feb.-March asked 11sh. 3d. white muntok 16sh 2d. shipping weight with white sarawak 16sh. 10d. delivered weight per pound weight cif. basis ports. Malabar February shipment was quoted at 1.130 shillings and Feb-March 1,100 pepper cwt. cif. Unikingdom.

SINGAPORE PEPPER PRICES

SINGAPORE, Feb 27.

The market was quiet with both black lampong and white muntok unchanged at 610 and 900 dollars per picul respectively.

CONTINENTAL STOCK EXCHANGES

PARIS, Feb. 27.

Despite strike threats, dealings expended mainly on buying orders at current attractive levels In forward trading there were mainly limited gains among industrials but business and movements in banks and minings were restricted. Irregularity prevailed in the cash market although small gains were in the majority, notably in certain minings, steels and foods. Most French rentes declined.

Brussels: After fairly general improvement in early dealings, some irregularity developed. Collieries and plantations however were among the groups finishing higher on the day.

Amsterdam: The market was unaffected by the British election results and business was restricted Industrials recorded only minor alterations. Indonesians showed minor widespread gains.

INCREASED SELLING IN OLD CROP MONTHS IN N. Y. COTTON

Wall Street Market Very Steady With Demand For Aircraft

NEW YORK, Feb. 27: Trading was featured by active commission house demand for forward months with all deliveries from 1950 October onwards establishing new seasonal highs reflecting expectations of a higher mid-February parity price and prospects of a substantially lower crop next season. Old crops eased on increased hedges and profit-taking disclosing less persistent demand. Profit-taking eventually checked the upturn in new crops

Old crops eased further on scattered liquidation in March and hedges selling finding the trade indifferent buyers. Forward positions also backed away from the earlier highs as buyers became more cautious in view of the fact that some deliveries were selling well above the probable loan rate. Price fixing latterly brought a moderate recovery in nears. The market closed steady Sales were put at 250,000

A cotton exchange seat was sold for 5,100 dollars a decline of 400 from the previous

NEW YORK COTTON

March	32.29—14
May	32.65—11
July	32.02—30
October	30.22+08
Middling Spot	33.12—14

New York Cotton May Highest 32.76 at 10-00 a.m.. Lowest 32.61 at 13.02 p.m.

NEW ORLEANS COTTON

NEW YORK, Feb. 27

March	31.97—12
May	32.33—12
July	32.07—13
October	30.15+09
Middling Spot	32.00—10

WALL STREET MARKET

NEW YORK, Feb. 27: The market fell in the doldrums as activity was limited awaiting coal developments. Fears of new curtailments in business activity by coal shortages were expressed as contempt of court proceedings got underway against the mine workers union.

United States steel was unchanged at 30-1/2 although the corporation has been forced to make the first cutback in production in the Pittsburgh district. Narrowly mixed oils were unimpressed by reports of the best activity this winter in the north-west fuel oil markets

At noon the averages were industrials 204.24 and rails 55.42 Firmness and occasional activity in a few selecteds featured an otherwise quiet afternoon and enabled the market balance to move slightly higher.

Douglas aircraft exceptionally gained three to a new peak of 82 on buying associted with reports of further military orders and the civil aeronautics belief that the long range future for air transportation was "extremely bright' Late covering was apparent in selecteds and the session closed very steady

NEW YORK STOCK EXCHANGE

NEW YORK, Feb 27

American Telephone and Telegraph	150-1/4
Amerex Holding Co.	34-1/4
Anaconda Copper Mining	30-1/8
Chase National Bank	38-3/4
Firestone Tyre	60
General Electric	46-5/8
General Motors	75-3/4
Ingersol Rand	67
International Nickel of Canada "A".	27-5 8
National City Bank	47-3 4
New York Central Rail Road	13-1/8
Sinclair Oil Corpn.	23-1/2
Socony Vacuum Oil	16-3/8
Texas Corporation	61-1/2
Union Carbide	43-5/8
U. S. Smelting and Refining	37-1 2
U. S. Steel Common	30-3 4
Western Union	21-1/4

Total number of shares which changed hands during the day was 1,400.000

The Highest and Lowest of U. S. Steel trading prices were 30-3/4 and 30-3/8 respectively

CHICAGO GRAINS

CHICAGO, Feb 27. Grains ruled steady early on commission house buying and short-covering influenced by continued cold weather over the belt in the past weekend The upturn however, attracted profit-taking which encountered limited commercial demand, and prices backed away rather sharply from the day's highs Exporters reported slow demand for grain and flour today but Italy, Portugal and Britain are expected to buy wheat during the week.

CHICAGO WHEAT

CHICAGO, Feb 27.

March	2.21
May	2.13-1 4
July	1.93-3 8
September	1.94-1/4

LONDON WHEAT

LONDON, Feb. 27

Australian Wheat 121/8 Feb.-March

LONDON STOCK EXCHANGE

LONDON, Feb. 27

	£
2-1/2 p.m. British Consols	69-3/4
3-1/2 p.c. Conversion Loan 1961	91-7 8
4 p.c. Funding Loan 1960 90	106-1 2
3-1/2 p.c War Loan on or after Dec. 1, 1952	91-5/8
Chartered Bank of India	10-3/16
Hongkong and Shanghai Bank (London Reg.)	86-1/2
Natinnal Bank of India	32-1/4

Transactions on the London Stock Exchange are officially placed at 5,989.

LONDON COPRA STEADY

LONDON, Feb. 27.

Copra was steadier for Philippines with February-March advanced to 190 United States dollars per ton sellers free on board while Straits-Dutch East Indies, fair merchantable, was unchanged at 81-3/4 sterling cif. Coconut oil was quietly steady.

The Bombay Chronicle

Regd. No. B. 1665

Nehru Proposed For Nobel Prize

OSLO, Feb. 28 (PTI-Reuter).

PRIME MINISTER Pandit Jawaharlal Nehru and three other Indians were among 28 persons proposed for the Nobel Peace Prize this year, it was announced here today.

The others, named by the Norwegian Nobel Institute, were Professor Sir Sarvapalli Radhakrisnan, Indian Ambassador to Moscow and member of the Executive Board of the United Nations Educational, Scientific and Cultural Organisation, sage and philosopher Sri Aurobindo Ghosh and Mr. S. Chaudhury, the Indian Jurist. President Truman and Britain's Opposition leader Winston Churchill were also named.

Six international institutions were also proposed.

U. S. CITIZENS NOT TO TRAVEL TO BULGARIA

State Department Note

WASHINGTON, Feb. 28: The U. S. State Department has announced that U. S. passports of private travelers are no longer valid for use in Bulgaria.

The action, made public yesterday, follows the U. S. prohibition on December 20 on travel of U. S. Citizens to Hungary, also a Soviet satellite state. The State Department said:

"In view of the fact that diplomatic relations have been suspended between the United States and Bulgaria, American passports of private travellers are no longer velid for use in that country.

27 POLICEMEN HURT IN PARIS

Demonstration Against War In Indo-China

PARIS, Feb. 28, (PTI-Reuter): Twenty-seven policemen were injured by objects thrown out of windows in the working class district of Clanancourt during a demonstration late last night against the war in Indo-China.

As a contingent of soldiers for Indo-China left barracks, about 1,500 demonstrators shouting slogans were dispersed by a strong force of police.

U. S. NOT ENGAGING IN ARMS RACE

Army Chief's Statement

NEW ORLEANS, Louisiana, Feb. 28:—The United States does not intend to engage in an armaments-building race with potential aggressors, according to Gen. J. Lawton Collins, the U. S. Army's Chief of Staff.

In an address here last night, he said that "we do not wish—nor do we feel it wise—to seek security in the construction of a garrison state in which we 'dance to the tune' of potential enemies in order to match them ship-for-ship, plane-for-plane, tank-for-tank, and division-for-division."

Security based on an arms race would be a fragile security, General Collins told the National Industry-Army Conference, and could presage economic disaster.

Decide Soon About Indo-China

CALCUTTA, Feb. 27, (UPI): The hope that the Government of India before long would announce their policy in regard to Indo-China, instead of waiting and watching the developments for an indefinite period, was expressed by Dr. Do Hung, Personal Envoy of ex-Emperor Bao Dai of Viet Nom, who arrived in Calcutta on his way back to Saigon from Delhi.

Dr. Hung, who was on a goodwill mission to India, visited different places of interest in this country and met high officials of the External Affairs Ministry, Government of India, at Delhi.

Ayurvedic College For Karwar?

(From Our Correspondent)

KARWAR, (By Mail).

The Government of Bombay, it is authoritatively learnt, is considering the question of starting an Ayurvedic College at Dharwar. It may be recalled that such a demand was made in December, 1946, when a Conference to discuss the Post-War Schemes in the Karwar District was held at Karwar.

KOSI PROJECT: FIRST STAGE IN OCTOBER

Highest Dam In The World

PATNA February 27, (PTI).

PANDIT PRAJAPATI MISRA President of the Bihar Provincial Congress Committee told pressmen here today that there was every likelihood that the first stage of the Kosi project will be undertaken by the Government of India in October, 1950, at an estimated cost of about rupees eighteen crores.

Mr. Misra, who led a deputation of Kosi sufferers to Pandit Nehru a week ago, added that the entire Kosi project, provides for the construction of a dam —the highest in the world—of about 780 feet above the foundation rock, a power station with an installed capacity of 1.8 million K.W., complete flood control of the Kosi Basin, annual irrigation of nearly 2.5 million acres and navigation facilities on the Kosi from the dam site to its junction with the Ganga.

The first stage of the project will provide 6.38 lakhs acres of annual irrigation in Bihar and Nepal, generation of 30,000 K.W. of power and partial flood control. This will also provide the essential preliminaries for the construction of the dam.

STAGES 2 AND 3

The second stage will provide additional irrigation making up an annual acreage of twelve lakhs and increase the installed capacity of hydro-electric power of 90,000 K.W. The further additional cost involved will be nearly rupees fourteen crores.

Stage three will begin with the construction of the main dam which will cost rupees 55 crores. This will provide complete flood and silt control and annual irrigation of four million acres.

Under the scheme of stage development, the immediate demand for money will be restricted to that required for the completion of the particular stage which has been taken up for construction. The delay in taking up the next stage will not interfere with the functioning of the first stage.

The irrigation facilities provided as a result of the execution of the first stage of the project in about four years' time will give an annual increase of 20,000 tons in jute and 75,000 tons in foodgrains.

Investigations for the first stage have been completed by the Government of India.

Despatch Of Sea Mails

BOMBAY, Tuesday: The next despatch of overseas mails from India for Western Pakistan (parcel mails only), Iraq and Iran will be made from Bombay on March 3, 1950 by B.I.S.S. "BARALA".

Mails arriving in Bombay Foreign Post upto 6 p.m. on March 2 will be included in the despatch subject to limit of shipping space.

The sailing schedule given above is based on the information furnished by the steamer company and is liable to change any time without notice. The Post office will not hold itself responsible for any mails which may mail to be included in the despatch and left behind due to change in sailing schedule.

Pattabhi's Appeal To Bengal Congressmen

NEW DELHI, Feb. 28, (UPI): The Congress President, Dr. Pattabhi Sitaramayya has appealed to all Congressmen and Congresswomen to give a lead to all sections of people in East and West Bengal for calm and considered judgment and effective action on right lines in the present situation in Bengal.

WOMEN'S APPEAL TO NEHRU

CALCUTTA, Feb. 23 (PTI).—Twenty-one women's organisations of West Bengal in a memorandum submitted to the Prime Minister, Pandit Nehru, urged that the Government of India should take "speedy steps", under full protection, for evacuation of men, women and children from East Pakistan.

The Government must rely on its own strength to carry through this "prime humanitarian act and could not escape its responsibility."

NEWS BRIEFS

WESTERLING: The Dutch will arrest Captain "Turco" Westerling, Chief of the Rebel "Army of the Heavenly Host" in Indonesia, if he is deported to Holland, an authoritative spokesman said in The Hague on Tuesday.

TEXTILE CHIEF: Mr. T. P. Barat, Textile Commissioner, Government of India, accompanied by Mr. T. B. Dalal, Director Indian Central Cotton Committee, arrived in Nagpur to study the conditions of the cotton crop in the province and also to get a first hand information in regard to the cotton stock position of the Textile Mills in the province together with the supply position.

SECURITY DEMAND WITHDRAWN

Saurashtra Editor Explains

RAJKOT, Feb. 28 (PTI): The Saurashtra Government has withdrawn the order asking the local daily "Bafam" for a deposit of Rs. 1,000 following the explanation by the editor that he had not intentionally printed prejudicial matter but it was due to inaccuracy of information" says a press note issued today.

Some time back the Government had asked two dailies 'Bafam" and "Fariad" to deposit Rs. 1,000 each. "Fariad" has filed an appeal in the High Court against the order.

An Appeal To Sanity

CALCUTTA, Feb. 28 (UPI): About a dozen Muslim student and youth leaders belonging to the various States of India have jointly appealed to the students and youths of Eastern Pakistan to launch an organised movement for peace and do their best to protect the Hindus of East Bengal and create confidence among them.

Sweden Honours Mrs. Roosevelt

AWARDS MEDAL FOR HUMANITARIANISM

WASHINGTON, Feb. 28: King Gustaf of Swedon has awarded the Prince Carl Medal for this year to Mrs. Franklin D. Roosevelt in recognition "of her outstanding work in the field of national and international humanitarianism."

In announcing the award yesterday, the Swedish embassy in Washington said that Mrs. Roosevelt has taken a special interest in helping disabled war veterans and also "has given her capable and whole-hearted support to the efforts to assist the large number of war refugees.

INDO-INDONESIAN TRADE AGREEMENT

Early Likelihood, Says Dr. Subbarayan

MADRAS, Feb 28 (PTI): Dr. P. Subbarayan, India's Ambassador in Indonesia in an interview to the PTI today envisaged the possibility of an early Indo-Indonesian trade agreement.

He indicated the likelihood of a trade commissioner for India being appointed in Indonesia to explore the possibilities of developing trade between the two countries.

He said that there was a great scope for Indian lungi trade with Indonesia which was depending on India and Japan for her textile requirements before war.

Dr. Subbarayan who leaves for Delhi tomorrow expects to discuss with the Government of India the question of deputing an archaeologist to Indonesia to make a survey of ancient Hindu and Buddhist monuments found in various parts of that country.

ENFORCING TOTAL PROHIBITION

BOMBAY, Tuesday.

A two-day conference of Excise and Prohibition Officers in the State of Bombay concluded its deliberations this evening after finalising the set up of the future Prohibition and Excise Department as also the functions and duties of the staff as reorganised.

The Conference also considered questions relating to the various permits and controls pertaining to Prohibition and discussed ways and means to make them effective.

The conditions obtaining in each district came under a rapid review of the Conference, which was of the opinion that a dry belt of at least five miles beyond the borders of the State was necessary to make the prohibition programme a success.

The Conference hoped that the Governments of the adjoining States would co-operate with the Government of Bombay in this matter.

Deliberations of the Conference were also devoted to finding further points of contact and co-operation with other departments, social service agencies and social workers for enforcing total Prohibition.

Uniformity In Rural And Urban Rice Ration Urged

(From Our Correspondent)

AHMEDABAD, Feb. 28: District Price Advisory Committee has recommended to the Government to make distribution of rice ration uniform in urban and rural areas.

One Motor Car Every Second

U.S. FACTORY'S RECORD

PHOTO shows passenger automobiles on a body assembly line at the Kaiser-Frazer Corporation plant at Willow Run, in the State of Michigan. This well-lighted and well-ventilated factory is one of the largest and most modern industrial plants in the United States. U.S. automobile manufacturers produced one vehicle every second that the industry's plants were in operation during 1949. In all, 6,200,000 passenger cars, trucks and buses rolled off assembly lines during the year. An important factor in the nation's economy, the automobile industry employed 780,000 persons during 1949 and paid them a total of $2,241,000,000. In 1900, when the industry was in its infancy, the nation's automotive plants employed about 3,000 persons and produced about 4,000 vehicles.

Chiang Is Back At The Helm

TAIPEH, Feb. 28. (PTI-Reuter): Marshal Chiang Kai-shek will resume presidency of the Chinese Nationalist Government here at nine a.m. tomorrow, an official spokesmman stated here today. During a simple ceremony he will state his reasons for taking up office again.

The two main reasons are understood to be that acting President Li Tsung-jen, who is on "long sick leave" in America, is unable to lead the country at a time when "Communist invasion of Formosa is imminent", and "the people's wish for Marshal Chiang to return to his post."

Thai Minister Quits

BANGKOK, Feb. 28, (PTI): The Thai Foreign Minister, Minister, Phot Sarasin, today handed his resignation to the Premier, Marshal Songgram.

But a Cabinet spokesman said the Government hoped to persuade him to stay because "a misunderstanding s apparent."

Usually reliable sources said Sarasin resigned because he opposed the Premier's stand in favour of according diplomatic recognition to Viet Nam, Cambodia and Laos. There were also unconfirmed reports that other Ministers intended to follow his lead.

New Commander Flies To Goa

LISBON, Feb. 28. (PTI-Reuter): Colonel Eduardo Tavares Nunes, new Military Commander in Portuguese possessions in India, left here today by air for Goa.

AN ALL-INDIA BAR ASSOCIATION

Mr. Rajah Iyer On Need

SALEM, Feb. 28. (PTI): The need for the formation of an All-India Bar Association was stressed by Mr. K. Rajah Iyer, Madras Advocate General, replying to a welcome address presented to him by the Salem Bar Association.

Mr. Rajah Iyer said that the idea of inviting Mr. Dapntary, Advocate General of Bombay, to preside over the deliberations of the Madras State Lawyers Conference to be held in May in Coimbatore was to pave the way for its formation.

He felt that the time was ripe for ushering in an All-India Bar Association.

The Government of India, he said, was contemplating legislation to enable lawyers enrolled in the Supreme Court—not merely seniors but juniors as well—to be entitled to practise all over India.

Night Curfew In Assam Town

KARIMGANJ (Assam), Feb. 28, (PTI): A dusk-to-dawn curfew has been promulgated by the Sub-Divisional Officer of Hailakandi (Cachar), according to a report received here.

Cases of arson have also occurred in Lalabazar, where elaborate military arrangements have been made to prevent further trouble, the report added.

Stone For IAF Station

NEW DELHI, Feb. 28.

A large number of high-ranking civil officials and Armed Forces officers from Delhi and other places have been invited to Agra where India's Defence Minister, Sardar Baldev Singh, will lay the foundation stone of the first permanent IAF Station on March 5.

Shortly before laying the stone, the Defence Minister will place a hermetically sealed case containing Indian newspapers and a copy of the 'Panji Akhbar', featuring an account of the IAF works project, in a hollow at the basement of the foundation.

WESTERLING TO BE PRODUCED IN COURT

Charges Of Assault And Illegal Entry

SINGAPORE, Feb. 28, (PTI-Reuter): Captain "Turco" Westerling, chief of the rebel "Army of the Heavenly Host" in Indonesia, will appear in a Singapore court this week on two charges of assault and illegal entry, it was officially announced here today.

Details of the alleged assault were not immediately known.

Earlier today Singapore authorities issued a deportation order against Westerling and an order that that he be detained pending deportation.

POSTHUMOUS AWARD OF VIR CHAKRA

NEW DELHI, Feb. 28.

An arduous 8-hour climb, over a jungled, pine-covered hill 8,400 ft. high on a pitch dark, cold night, a bayonet encounter with hostiles, the wiping out of an entire medium machine-gun post single-handed and then death—that in short is the story of the action for which Naik Bir Singh of the Dogra Regiment has been posthumously awarded the Vir Chakra.

Naik Bir Singh lost his life on May 20 1948, when his company was engaged in dislodging the enemy from a difficult hill feature at Salamabad in Kashmir where two battalions lay strongly entrenched, having had six months time to prepare their defences.

MOB ATTACKS MAIL: 8 DEAD

CALCUTTA, Feb. 28, (PTI).

EIGHT persons were killed and several others were injured when an armed mob attacked the Down Assam Mail proceeding towards Calcutta near Santahar (East Pakistan Railway) early today, it is learnt here from reliable sources.

The train was carrying a large number of refugees from Mymensingh and other places in disturbed areas of East Bengal.

The District Magistrate and the Superintendent of Police, Rajshahi (East Bengal) rushed to the spot and a large number of persons have been arrested.

Two thousand intending evacuees from East Pakistan on their way to West Bengal have been stranded at Khulna and other wayside stations in East Bengal, according to reports here today. The refugees who comprise about 300 familes were not being allowed to board trains for Calcutta and some of them have been found to be missing, the reports added.

4 STRAY ASSAULTS

CALCUTTA, Feb 28 (PTI).—There were four cases of stray assault in Calcutta, resulting in one death, stated a press note issued by the Government of West Bengal here today.

The note said that in one of the incidents two arrests were made and others were under investigation.

The note added: "A van was set on fire by miscreants on Bowbazar Street in the morning. Three persons were arrested in this connection.

"There was a good deal of excitement at Kanchrapara on the 26th evening after the report of the attack on the Dacca Mail reached the place. There was a case of assault during the day and four dead bodies were found in an isolated place.

"At Burdwan there were a few cases of arson, mostly of abandoned huts. Two dead bodies were discovered in a field. Police investigation is proceeding.

"Three shops belonging to both the major communities were looted at Howrah. There was oner case of fatal assault.

"Two dead bodies were found at Cossimbazar in the Murshidabad District.

"Jalpaiguri remained quiet.

CURFEW IN SERAMPORE

The "UPI" adds:

As a precautionary measure curfew has been imposed from tonight from 9 p.m. to 4 a.m. in Serampore and Rishra Municipal areas and in the jurisdiction of Talinipara town outpost. The order will remain in force for 7 days.

City Reactions To Budget

(Continued from Page 1)

of the smaller operators had not received the full proposals, and had come to no conclusions with regard to what they had heard.

A silent spectator of the confusion, who described himself as a regular speculator, said. "The whole thing is very confusing and the reactions are based on rumours and guesses. None of us has so far received the proposals, which we shall read in the morning's papers, and it will require some time actually to assess the net effect of the proposals, on the industries of the country and on the share market. This is nothing better than gambling".

SOCIALIST POINT

Mr. Asoka Mehta, the Socialist leader, was inclined to be critical of the budget in so far as it afforded greater relief to the higher rather than to the lower income-groups. "It is a budget", he said. "which flows logically from the economic policies of Dr. John Matthai, wherein the responsibility for capital formation has been transferred to the rich. Such a policy must slow down the tempo of the economic development of the country and increase the burdens on the common people."

Mr. Mehta questioned the value of the proposed Planning Commission, and said: "Pandit Nehru's Government has chosen the Rightist road — a road that will prove to be strewn with disasters."

Mr. V. F. Noel Paton, President of the Bombay Chamber of Commerce, was of the opinion that the proposals would prove a stimulant to production and encourage individual savings and investments.

He added: "The reduced postal rates for local letters and postcards are satisfactory and go a long way to meet the chief criticism of the All-Up Mail Scheme."

The only disappointing feature, according to him, was the paucity of the results obtained in spite of the efforts of the Tax-Evasion Commission. He, however, hoped that the further proposals in this regard would bring a greater reward.

MIDDLE CLASSES NOT RELIEVED

Distress Overlooked

Sir Purshottamdas Thakurdas, President of the East India Cotton Association, in an interview to the U.P.I. said: "There is nothing in the budget proposals to gladden the heart of the middle classes, and I do not know why the Government of India have so studiously overlooked their increasing distress. It is very much to be desired that something tangible is done for them in an effective manner."

'A STIMULANT'

Welcoming the reduction in the rates of income-tax and super-taxes representing a re-orientation in Government's policy, Mr. R. G. Saraiya, President of the Indian Merchants' Chamber, told the U.P.I. that this reduction would stimulate greater enthusiasm and effort in the sphere of trade, commerce and industry. At the same time, he regretted the absence of significant proposals bearing on economy in administrative expenditure.

Mr. G. D. Somani, President of the Western India Chamber of Commerce, congratulating the Finance Minister on his realistic approach in formulating his proposals, said that they would tend to stimulate confidence and restore stability to the shattered economy of the country.

He noted "A socialistic trend in the proposals for adjusting tax rates on personal incomes" and welcomed the relief to the middle class. He, however, added, "one would have liked the higher income slabs also to remain unaffected to stimulate investments and capital formation."

SIR CHUNILAL MEHTA

Sir Chunilal B. Mehta, interviewed today on the Budget said: "It can be said without hesitation that there are a number of reliefs extended under direct taxation. The abolition of Business Profit Tax, the outright reduction of one anna in income-tax and reduction in slabs between ten thousand and fifteen-thousand, as also the reduction in super-tax over one lakh and fifty thousand are all features which should help in capital formation.

"However, the increase in the corporation tax cannot be justified under any circumstances. It is a tax, refund of which is not available to the investor whose income entitles him to a refund of income-tax. It is something like giving by one hand and taking it away by the other."

LONDON, Feb. 28 (UPI): Immediate measures for more effective rice production in Burma is hoped to be taken following a Commonwealth agreement for a £75,00,000 loan to Burma that has been reached recently, the underlying reason being the urgent need for more food throughout South East Asia.

MUTT AND JEFF—Mutt And Jeff's Ladies' Week—No. 4

By BUD FISHER

YOU BOOB, DON'T YOU KNOW THAT A CHICKEN MUST BE CLEANED BEFORE YOU ROAST IT?
I WASHED IT WITH SOAP AND WATER!
-AND DON'T YOU KNOW THAT WHEN YOU ROAST IT, IT MUST BE STUFFED?
IT DO?
CERTAINLY!
?
TAXIDERMIST
ALL KINDS OF BIRDS AND ANIMALS STUFFED
TAXIDE
FISHER

Printed and Published for the Bombay Chronicle Co., Ltd., by MICHAEL ANDRADES at the Bombay Chronicle Press, Red Building, Parsi Bazar Street, Fort, Bombay Edited by S. NATARAJAN.